

Report
OF THE
Bombay Chamber of Commerce
FOR THE YEAR 1835

(Established 22nd September 1835.)

VOLUME II.

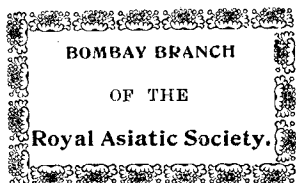
CORRESPONDENCE.



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WITH THE COMPLIMENTS OF THE SECRETARY
BOMBAY CHAMBER OF COMMERCE.



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APPENDIX A-1.

PROPOSED EXTENSION OF THE PROVIDENT FUNDS ACT TO PROVIDENT FUNDS OF FIRMS AND COMPANIES.

No. 204-F. E. of the 30th January 1923.

**From the Government of India (Finance Department)
Delhi, to the Chamber.**

With reference to the correspondence ending with Mr. Sim's letter No. 1663-F. E., dated the 9th August 1921, I am directed to say that, after careful consideration of the views of the local Governments and Chambers of Commerce, the Government of India have decided not to proceed with the proposal to extend the benefits of the Provident Funds Act to provident funds established by firms or companies.

No. 378/104 of the 15th February 1923.

**From the Chamber to the Government of India (Finance
Department), Delhi.**

I have the honour to acknowledge the receipt of your letter, No. 204-F. E., dated the 30th January 1923, and in reply to state that my Committee have noted with regret that the Government of India have decided not to proceed with the proposal to extend the benefits of the Provident Funds Act to provident funds established by firms or companies.

Dated the 11th April 1923.

From the Madras Chamber to the Chamber.

This Chamber has had under consideration the letter from the Government of India, Finance Department, Delhi, dated

the 30th January 1923, stating that Government have decided not to proceed with the proposal to extend the benefit of the Provident Funds Act to provident funds established by firms and companies, and in this connection the reference to the subject in the Annual Volumes of your Chamber for the years 1920 & 1921, as also the correspondence exchanged between the Burma Chamber of Commerce and the Government of Burma, forwarded with your letter of the 12th February, have been duly noted.

At the Monthly General Meeting of the Chamber held on the 27th March 1923, it was resolved that this is a matter which should be taken up by the Associated Chambers of Commerce of India and Ceylon and to address your Chamber in the first instance.

I shall be glad if you will favour this Chamber with your views.

No. 1046-104 of the 26th April 1923.

From the Chamber to the Madras Chamber.

I am directed to acknowledge the receipt of your letter, dated the 11th April 1923, in which you request me to inform you of my Committee's opinion regarding the recent decision of the Government of India not to extend the benefits of the Provident Funds Act to provident funds established by firms and companies.

In reply I am to inform you that my Committee have carefully considered the suggestion of your Chamber that Government should be requested to re-consider their decision; but in view of the fact that Government have only recently examined the proposal and that they appear to have considered it very carefully and from all aspects, having collected the opinions of local Governments and through them the views of all Chambers of Commerce, my Committee are of opinion that they have no good grounds for asking for a further consideration of the proposal.

My Committee regard the Government of India's decision as a regrettable one but they think that no good purpose would be served by re-opening the question at the present juncture.

Dated the 4th June 1923.

From the Madras Chamber to the Chamber.

Proposed extension of the benefits of the Provident Funds Act to Provident Funds established by Firms or Companies.

I beg to acknowledge the receipt of your letter No. 1046-104, dated the 26th April 1923, relative to the above subject, and in reply I am directed to advise you that at the Monthly General Meeting of the Chamber held on the 29th ultimo, it was resolved that this Chamber concurs in the decision of your Chamber in the matter.

APPENDIX A-2.

**THE ASSOCIATED CHAMBERS OF COMMERCE OF
INDIA AND CEYLON.**

FIFTH ANNUAL GENERAL MEETING, DECEMBER 1923.

The following resolutions, which were severally proposed by the Chambers specified, were unanimously adopted by the meeting :—

1. THE ADMINISTRATION OF JUSTICE.—Bombay Chamber.

“Having regard to some of the grave consequences of the delays in the administration of justice that at present obtain in the Courts of India, such as the great difficulty experienced in the recovery of debts and the enforcement of rights, and the adverse effect thereof on the trade of this country, this Association desires to impress upon local Governments the importance of taking steps to expedite the procedure in the Courts under their jurisdiction.”

2. THE INDIAN ARBITRATION ACT IX OF 1899.—*Karachi Chamber.*

“That in the opinion of this Association the Government of India should take steps at the earliest possible date to examine the law of arbitration in order to remedy such defects as have been pointed out by the several High Courts and to circulate for public opinion any suggestions for the improvement of the law that Government after enquiry may consider desirable.”

3. REGISTRATION OF BUSINESS NAMES AND PARTNERSHIPS.—*Punjab Chamber.*

“That this Association invites the attention of Government to the resolutions regarding the advisability of provision by law for the registration of Business Names and Partnerships adopted at the First Conference of the Chambers of Commerce of India and Ceylon in 1905, and by this Association in 1920 and 1921, and strongly urges that legislation on these important subjects should not be delayed any longer.”

4. THE INDIAN LEGISLATIVE ASSEMBLY.—*Bombay Chamber.*

“This Association is strongly of opinion that the British Chambers of Commerce should be granted direct representation in the Legislative Assembly under the powers given to Government to increase the numbers of that Assembly. The Association desires to express the disappointment felt by its members, that, whereas certain other important Chambers of Commerce and Associations are rightly given direct representation in the Legislative Assembly, this privilege is withheld from all British Chambers of Commerce.

Although the discussions in the Assembly on important commercial and industrial questions, such as the budget, taxation, exchange, fiscal policy, the railways, and questions relating to factories and labour are of vital importance to the large interests represented by Chambers of Commerce, and although their representatives would be in a position to give expert advice on such subjects, yet not one of the members of this Association is directly represented at such discussions.”

5. THE CURRENCY QUESTION.—*Bombay Chamber.*

“That this Association desires to reiterate the opinions expressed at the last Annual General Meeting that—

With reference to any proposals to restore the ratio of Rs. 15 to the sovereign, this Association is of the opinion that no alteration of the nominal ratio should be considered until world conditions become more stable and until the internal finances of the country have been restored to a sound basis.

Thereafter the question of reverting to a ratio of Rs. 15 to the sovereign or any other ratio should be examined by Government in consultation with the various Chambers of Commerce in India before forming the subject of enquiry by a special commission, as such commissions have an unsettling effect on trade and are liable to destroy confidence.”

6. ELIMINATION OF PIES IN BANKING TRANSACTIONS.—*Karachi Chamber.*

“That in the opinion of this Association, legislation to permit of the elimination of pies from all banking transactions in India should be considered by the Government of India.”

7. RATE OF EXCHANGE FOR BILLS DRAWN IN FOREIGN CURRENCIES.—*Karachi Chamber.*

“That in the opinion of this Association the Government of India should effect, with the least possible further delay, legislation on the lines of the Hongkong Bill of Exchange Ordinance, 1921, so as to provide that, in the absence of any express stipulation to the contrary, all bills drawn in foreign currencies be payable at the rate of exchange ruling on the date of actual payment.”

8. RAILWAY FINANCE.—*Bengal Chamber.*

“That this Association is strongly of the opinion that the time has now come when the question of separating railway finance from general finance should be further investigated and determined.”

9. THEFTS FROM RAILWAY WAGONS.—*Upper India Chamber.*

“That this Association urges upon Government the necessity of taking early steps to compel all Railway Administrations to adopt an effective device for securing railway wagon doors.”

10. THE COAL TRADE.—*Bengal Chamber.*

“That in order to revive the export and coastwise trade in Indian coal, it is, in the opinion of this Association, desirable that a Committee of Enquiry, such as is recommended in the report of the Acworth Committee, be formed to ascertain whether, having regard to the adequate supply of the needs of industries established in the country, the principle of allowing a railway freight rebate on export and coastwise coal should be re-introduced.”

11. THE TELEGRAPH SERVICES.—*Bengal Chamber.*

“That this Association invites the attention of Government to the necessity for improvement in its inland and foreign telegraph services; and regrets that full use has not yet been made of the recent advances in wireless telegraphy. Government are reminded that triple rates impose a heavy burden on the community and they are urged to take steps to speed up the cables to pre-war standard so that it may then be possible for them to press for the universal abolition of these triple rates.”

12. CUSTOMS DUTY ON GOVERNMENT IMPORTS.—*Bengal Chamber.*

“That early steps be taken to bring into force the recommendation of the Indian Fiscal Commission (para. 285): ‘that the proviso to section 20 of the Sea Customs Act be repealed, thereby rendering goods imported on Government account chargeable to duty at current rates.’”

THE ASSOCIATED CHAMBERS OF COMMERCE.

13. TECHNICAL EDUCATION.—*Bengal Chamber.*

“That in the opinion of this Association active promotion and expansion of forms of primary education of a nature preparatory for technical education and training should be made an integral part of the general policy of the Government of India and of local Governments, and in addition polytechnics and night schools should be provided and assisted, and a larger number of scholarships for training teachers abroad granted.”

14. GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE.
—*Upper India Chamber.*

“That this Association reiterates the request put forward at the last Annual General Meeting of the Association that Government should declare its policy in regard to public trading by Imperial and Local Government institutions and assure the Association that it is contrary to the policy of Government to compete with private enterprise.”

15. LOCAL PURCHASE OF STORES.—*Bengal Chamber.*

“That the present system of stores purchase for Government requirements is not in the best interests of India, and should be done away with at the earliest possible moment.

That in its place should be instituted a system of rupee tender for delivery in India with publication of results in every case.

That this new system should be administered under the supervision of the Government of India by a cadre of qualified officers and that arrangements should be made in India for the requisite test and inspection of the goods purchased.”

16. STORM WARNING REPORTS.—*Narayanganj Chamber.*

“That this Association is of the opinion that, as the storm warning reports from the Meteorological Department have been curtailed since January 1st, 1923, and arrive too late to be of any value, the estimated saving

of Rs. 13,000 per annum by the issue of the reports from Simla, instead of from Alipore, has not been justified; and, in view of the great importance of these reports urges Government to rescind their recent order and have the reports issued direct from the Alipore Meteorological Office as in the past."

17. THE ANNUAL FINANCIAL STATEMENT.—*Bombay Chamber.*

"That, in the opinion of this Association, it would be a convenience to the public if the Government could arrange for the Finance Member's Annual Financial Statement to be made not earlier than 5 p.m. on the last day of February, or, if that day be a Sunday, on the previous day."

The following resolutions were adopted by a majority of the Chambers represented :—

1. THE GOVERNMENT OF INDIA'S LOANS POLICY.—*Karachi Chamber.*

"That in view of the onerous nature of external as compared with internal debt, this Association requests the Government of India to restrict its external borrowings as far as possible."

2. THE COAL TRADE.—*Punjab Chamber.*

"That in view of the fact that the present high rate of railway freight on coal prejudicially affects the maintenance and development of industrial concerns in Northern India and those situated at a great distance from the Bengal and Bihar coal-fields, this Association strongly urges the Government of India to take action, without delay, substantially to reduce railway freight on coal over long distances. This reduction in freight, it is felt, would also materially assist in the development of the coal industry of this country, which has received a distinct set-back consequent on the recent large imports of foreign coal."

3. PROPOSED PROTECTION FOR THE STEEL INDUSTRY.—
Bengal Chamber.

“That this Association strongly disapproves of the proposed protective tariff in favour of the steel industry, as imposing an intolerable burden on other industries and, indirectly, on the public generally. If, after the fullest examination by the Tariff Board and Government, it is found that without some form of assistance the future of the steel industry is in jeopardy, this Association would admit the necessity for the grant of bounties.”

4. EXPORT DUTY ON HIDES AND SKINS.—*Karachi Chamber.*

“That in the opinion of this Association the export duty on hides and skins should be immediately removed on the ground that—

- (1) it has proved useless for the purpose for which it was imposed : .
- (2) it is economically unsound ;
- (3) it has caused undeserved loss and suffering to all concerned, and particularly to those working in a small way in the villages throughout India ; and
- (4) it has been condemned by the Indian Fiscal Commission.”

The following resolutions were declared lost on a division :—

1. CURRENCY NOTES.—*Karachi Chamber.*

“That in the opinion of this Association the Government of India should undertake the remodelling of Currency Notes of Rs. 100 each, making all such universal notes payable at any office of issue.”

2. POST AND TELEGRAPH SERVICES.—*Narayanganj Chamber.*

“With reference to the proposed curtailment of the staff in the Post and Telegraph Services, this Association

is of the opinion that any reduction in the present staff would be made at the sacrifice of efficiency, and proposes that Government, before taking any action, should consult commercial opinion."

The following resolutions were withdrawn after discussion :—

1. CURRENCY NOTES.—*Karachi Chamber.*

"That in the opinion of this Association the time has now arrived when all Currency Notes up to the denomination of Rs. 1,000 each should be made universal and payable at any office of issue."

2. THE COAL TRADE.—*Karachi Chamber.*

"That in the opinion of this Association the question of the development of Indian coal supplies, and of Indian industries based thereon, would be far better solved by a reduction of railway freights on coal from the producing areas to the consuming centres than by an increased import duty on foreign coal."

The following resolutions were withdrawn without discussion :—

1. THE ADMINISTRATION OF JUSTICE.—*Punjab Chamber.*

"That this Association appoint a Committee to submit to His Excellency the Viceroy the considered opinion of the members on the subject of measures necessary to expedite the recovery of debts and enforcement of rights in Indian Courts of Law, in response to the invitation contained in His Excellency's speech at the opening of the Annual General Meeting of this Association on the 8th January 1923."

2. THE INDIAN LEGISLATIVE ASSEMBLY.—*Bengal Chamber.*

"That this Association resolves to press strongly upon the attention of the Government of India and the Right Hon'ble the Secretary of State the urgent claims of the senior Chambers of Commerce to direct representation in the Indian Legislative Assembly."

3. INDIAN MERCANTILE MARINE.—*Bengal Chamber.*

“That as the questionnaire of the Indian Mercantile Marine Committee, and certain private Bills which have been circulated; suggest consideration is being given to the reservation of the Indian Coast for vessels owned and manned by Indians to the exclusion of British ships from other parts of the Empire, this Association desires to impress upon Government that no such reservation could be tolerated as long as India forms part of the British Empire and depends for its protection by sea on the British Navy.”

4. THE TELEGRAPH SERVICES.—*Bombay Chamber.*

“This Association desires to impress upon the Government of India the importance of improving the Inland Telegraph Service. The delays in the transmission of telegrams between large important centres, such as Calcutta, Bombay, Madras, Karachi and other towns, have been so great during the current year as to render the lines useless for many commercial purposes.

This Association has paid due regard to the need for economy in all Government departments and the difficult natural conditions with which the Telegraph service has to contend in certain districts, but it considers that very great improvement is necessary before the service reaches the standard of efficiency that ought to obtain in this country.”

5. EXCISE DUTY ON PIECE-GOODS MANUFACTURED IN INDIA.—*Punjab Chamber.*

“This Association recommends to the Government of India that the tariff values for the levy of duties under the Cotton Duties Act II of 1896 should in future be passed upon either—

(a) the actual value of cloth manufactured and sold by each mill, as recorded in the books of the mills, or

(b) the average counts of yarn employed in the manufacture of cloth in Indian mills,

and not, as at present, on an arbitrary valuation which handicaps mills employing yarns of comparatively lower counts in production of heavy weight cotton fabrics."

6. GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE.
—*Burma Chamber.*

"This Association desires to draw the urgent attention of the Government of India to the increasing tendency of Local Governments to permit or even encourage a policy of direct and deliberate competition with private enterprise.

"Instances of this are to be found in the following Provinces :—

Bengal, Burma, Madras and the United Provinces.

"This Association has again therefore to record its emphatic disapproval of all Government trading, and requests the Government of India, for the guidance of Local Governments, to re-affirm its oft-repeated assurance that its policy is opposed to State competition with private enterprise."

APPENDIX A-3.

VISIT TO THE CHAMBER OF THE HON'BLE SIR BASIL BLACKETT.

The Hon'ble Finance Member, who was accompanied by Mr. A. C. McWatters, C.I.E., I.C.S., Acting Secretary to the Finance Department, Government of India, and Mr. H. Denning, Acting Controller of the Currency, met the General Committee and the Finance Sub-Committee of the Chamber on Wednesday, the 4th April 1923, at 4 p.m. for an informal discussion on various financial and currency questions. Sir Robert Aitken, Kt., Sir Bernard Hunter, Kt., Sir Henry Macnaghten, Kt., Mr. S. J. Gillum, Mr. G. Findlay Shirras, I.E.S., and Mr. J. Greig were also present by invitation. Mr. (now Sir) Frank Nelson, Chairman of the Chamber, presided.

The Chairman, in welcoming the Hon'ble Member on behalf of the Committee of the Chamber, expressed the hope that this initial visit of the Finance Member would be followed by many others during his term of office and he stated that the Committee very greatly appreciated and valued such informal discussions on Finance and Currency.

Proceeding, the Chairman referred in the first instance to the fact that on the occasion of the Hon'ble Sir Malcolm Hailey's visit to the Chamber a year ago in his capacity as Finance Member considerable discussion took place with regard to the conditions and procedure which the Governor-General in Council had prescribed in respect of the issue of Currency Notes against Bills of Exchange under Section 19A of the Indian Paper Currency Act, 2 of 1910.

The Chamber, at that time, considered that the minimum rate of 8 per cent., which was suggested as the one to be charged to the Imperial Bank of India by the Government in this connection, was prohibitively high and that the whole measure should be so directed as to prevent money becoming unduly dear rather than to alleviate such a situation when it had already arisen.

Mr. Nelson stated that the views above outlined, as expressed by the Committee of the Chamber just a year ago, were generally those held by the present Committee, and that he proposed, with the permission of the Hon'ble Finance Member, to put forward for the latter's consideration the suggestion that Government should take powers to issue a considerably larger amount than the five crores at present suggested. The Chairman continued that without wishing to dogmatise at this stage of the venture the Committee considered that somewhere between 10 to 15 crores would probably be an adequate amount to enable the Government successfully to administer the whole scheme. In this connection Mr. Nelson pointed out that a clear definition of the term "Internal Bill" was very necessary in order to enable the commercial community to grasp the benefits that might reasonably be expected to accrue from the measure and further, that the Committee considered that a temporary inflation of the

currency to the extent of 10 to 15 crores would have to be very carefully watched in order that Exchange should not be depressed.

In reply the Hon'ble Member stated that a tentative scheme had been discussed with the Imperial Bank of India, whereby it was proposed that powers should be sought enabling the Government to issue currency notes to the extent of 3 crores when the Bank rate was 6 per cent., of a further 4 crores when it was 7 per cent., and a further 5 crores when it was 8 per cent. a total of 12 crores ; he added that the idea underlying the whole scheme was to create a certain elasticity of currency and that although Government were not concerned with the rate at which the Imperial Bank of India advanced against Internal Bills they were most definitely concerned with the question whether 12 crores of Hundies or Internal Bills would be forthcoming.

A general discussion then ensued during which the Managing Governors of the Imperial Bank of India (Sir Robert Aitken, Kt., and Sir Bernard Hunter, Kt.) very kindly gave such information as was in their power in this latter connection, and it transpired that an Internal Bill would be considered as such for the purpose of the scheme if drawn by a firm or bank of standing upon another firm or bank of similar repute, provided always that a suitable certificate was attached to the Bill to the effect that the money was required for the financing of trade.

Mr. Nelson then briefly outlined the attitude of the Committee of the Chamber in regard to the utilization of the Gold Standard Reserve under certain circumstances ; he stated that conditions might conceivably occur when the Secretary of State had sterling liabilities to meet in London at a time when it was neither expedient nor possible to borrow in the London market or to draw on India through the Reserves or to sell Councils in London and he reiterated the point of view already expressed by the Chamber that under these circumstances Government, in the opinion of the Chamber, should borrow temporarily from the Gold Standard Reserve rather than force Councils upon an unwilling Exchange

Market. He requested the Hon'ble Member's views on this subject.

A short general discussion took place at the close of which the Hon'ble Member in reply touched upon the very divergent opinions held by various public bodies in India regarding the general use of the Gold Standard Reserve, but stated that he was well aware of the Bombay Chamber's expression of opinion in the above connection and promised that it should have the most sympathetic consideration if the state of affairs as instanced by the Chairman should arise.

The Chairman having conveyed to the Hon'ble Member the Committee's appreciation of the facility thus afforded them of discussing with him in person various financial and other matters, the proceedings terminated.

APPENDIX B-1.

FAREWELL ADDRESS TO HIS EXCELLENCY SIR GEORGE LLOYD.

The following is the text of the farewell address which was presented by the Committee of the Chamber on behalf of the members to His Excellency Sir George Ambrose Lloyd, G.C.I.E., D.S.O., Governor of Bombay, on the 8th December 1923, at the Apollo Bunder :—

TO HIS EXCELLENCY SIR GEORGE AMBROSE LLOYD,
G.C.I.E., D.S.O.,
GOVERNOR OF BOMBAY.

MAY IT PLEASE YOUR EXCELLENCY,

It is just five years since the representatives of the Bombay Chamber of Commerce had the honour of presenting an address of welcome to Your Excellency on the occasion of your arrival in Bombay to assume the reins of Government, and we are now assembled to bid Your Excellency farewell.

Your Excellency's arrival coincided with the dawn of a victorious peace, and the aftermath of the greatest war in history has of necessity brought in its trail economic problems of the greatest complexity. We desire, in paying tribute to the resolute manner in which Your Excellency has faced these difficulties, to express at the same time our hope and belief that largely owing to Your Excellency's unceasing efforts the dawn of a more settled and prosperous era in the Bombay Presidency is approaching.

We find it difficult adequately to convey to Your Excellency our appreciation and admiration of the work you have accomplished, by solving in the shape of your development project the huge problem of better housing for all classes in the limited area at your disposal in the town and island of Bombay, and by your sponsoring of the great Sukkur Barrage scheme.

It is unfortunately not possible for you to remain and view the fruits of your labours, nor could we wish this, convinced as we are that you will be called to even more responsible tasks in the administration of our Empire; but we desire to place on record that the boldness of conception and the unswerving singleness of purpose which has marked out the initial stages of your development scheme, no less than the keen interest and deep insight you have always evinced in political and economic questions, has our admiration and respect.

Your Excellency has honoured the Bombay Chamber of Commerce with a most close and friendly relationship, and in expressing to Your Excellency our deep appreciation of this we should also like to be allowed to express our gratification at the manner in which Her Excellency Lady Lloyd has identified herself with the many philanthropic and charitable institutions established in this Presidency.

It now only remains for us to wish Your Excellency and Lady Lloyd a safe and pleasant voyage and every prosperity and happiness in the Homeland.

In the name and on behalf of the Members of
the Bombay Chamber of Commerce.

F. NELSON	..	Chairman.
L. S. HUDSON	..	Deputy Chairman
F. C. ANNESLEY,	}	Members of the Committee.
N. BIRRELL,		
V. A. GRANTHAM,		
R. R. HYND,		
R. McLEAN,		
A. B. MORRISON,		
C. G. NOMICO,	..	Secretary.
C. B. SAYER	..	

BOMBAY, 8th December 1923.

HIS EXCELLENCY SIR GEORGE LLOYD, in reply, said :—Mr. Chairman and Members of the Committee of the Chamber of Commerce,— You have reminded me that almost upon this day five years ago your Chamber paid me the courtesy of waiting upon me in order to welcome me to the Governorship of Bombay.

On that occasion, I expressed to you my earnest hope that with your assistance and co-operation something might be done in the years that lay ahead to forward the welfare of the peoples of this City.

That hope I have retained and have striven to realise through the whole period of my governorship, and you, who have intimate knowledge of the difficult times through which we have gone and of the anxieties and the adverse circumstances that have had to be faced, will realise, I trust, that it is from a very full heart that I thank you for the unwavering friendship and sturdy support that I have always received from your Chamber. I can assure you that the true kindness and courtesy of your farewell words go far to mitigate my regret for the many tasks I had hoped to achieve that still remain unaccomplished.

And to the little that I have been able to do I can only say this, that I should wish everybody to realise how much of the credit is due to the wise counsel, the material assistance, and, lastly, to the sound criticism I have received from the members of the European community, both official and non-official, and to the many true and, I hope, lasting friends whom it has been my good fortune to make among them.

Lady Lloyd has asked me to thank you on her behalf also for all the help and assistance that have been given to her in the work she has endeavoured to do here, and I know she feels as I do, that even of what has been done but a small proportion would have been possible without the cheerful good will of the residents of Bombay.

And, now, before I conclude, there is only one thing more I should wish to say. I fully share your feelings of confidence restored in the future, and I do not say this with the easy optimism of the soldier who is leaving the fight, but from a sincere belief that the clouds are lifting and that there are sure signs of a coming improvement in the economic situation.

I have shared the bad times with you and I wish it could have been my fate to meet the good times also in your company. But, if this is not to be, may I at least, in wishing you farewell, express to you on behalf of us both, our warmest wishes for your future and our heartfelt and abiding gratitude for your kindness and your friendship and the many happy and life-long memories we are enabled through your goodness to us to carry away?

APPENDIX B-2.

ADDRESS OF WELCOME TO HIS EXCELLENCY
SIR LESLIE WILSON.

The following is the text of the address of welcome which was presented by the Committee of the Chamber on behalf of the members to His Excellency Lieutenant-Colonel the Right Honourable Sir Leslie Orme Wilson, P.C., G.C.I.E., C.M.G., D.S.O., Governor of Bombay, on the 11th December 1923, at Government House, Malabar Hill :—

TO HIS EXCELLENCY LIEUT.-COLONEL THE RIGHT
HONOURABLE SIR LESLIE ORME WILSON,

(P.C., G.C.I.E., C.M.G., D.S.O.),

GOVERNOR OF BOMBAY.

MAY IT PLEASE YOUR EXCELLENCY,

We, the Committee of the Bombay Chamber of Commerce, desire on behalf of the Members of this Chamber and of the general commercial community, to offer a most cordial welcome to Your Excellency on your arrival in India as Governor of the Bombay Presidency.

It is a source of great satisfaction to us that the incumbency of this high office has fallen on Your Excellency, whose services to the British Empire have been many and gallant and whose wide knowledge and experience of British Parliamentary procedure is probably unique.

We desire to offer Your Excellency every good wish on your assumption of office and to assure you of our willing assistance at all times in the many commercial and economic problems that must confront you during your tenure of office.

The town and island of Bombay, although possessing an area of 14,575 acres only, is of great and growing importance, not only by reason of its being the centre of the cotton spinning and weaving industry of India, as well as the chief money market, but also because of its great importance as a large port; and we desire to emphasize with all deference to Your Excellency how important we consider it to be that the relations between commerce and the Government of the Presidency should be close and lasting.

We also desire to extend to Her Excellency Lady Wilson a very hearty welcome, feeling sure that she will interest herself in the many charitable institutions existing in the Bombay Presidency.

In the name and on behalf of the Members of the Bombay Chamber of Commerce.

F. NELSON ..	..	<i>Chairman.</i>
L. S. HUDSON ..	..	<i>Deputy Chairman.</i>
F. C. ANNESLEY,	}	<i>Members of the Committee.</i>
N. BIRRELL,		
V. A. GRANTHAM,		
R. R. HYND,		
R. McLEAN,		
A. B. MORRISON,		
C. G. NOMICO,		
C. B. SAYER ..	..	<i>Secretary.</i>

BOMBAY, 11th December 1923.

HIS EXCELLENCY SIR LESLIE WILSON, in reply, said:—Mr. Chairman and Members of the Committee of the Chamber of Commerce—I am much indebted to you for the cordial welcome which you have offered me on my arrival in India, and I deeply appreciate the expression of your good wishes and your generous offer of assistance in the task which lies before me. Of the gravity and difficulty of that task I am very fully aware, and I realise also how much I have to learn of India and its general problems before I can confidently undertake the solution of the special questions which now confront this city and this Presidency.

I know also that I had as predecessor one who possessed great energy and ability happily conjoined to a wide experience of the East, and that the responsibility of filling the place which he has vacated will be heavy and anxious. I am therefore, particularly grateful to you, and through you to the commercial community which you represent, for your cordial offers of co-operation, and upon those offers I intend to rely very fully. I should like at once to assure you that I am keenly convinced of the importance to any administration of keeping closely in touch with the commercial interests and activities which are carried on in the area under its control: and that it will be among my chief endeavours to maintain the closest and most friendly relations between my Government and all the commercial interests of Bombay.

Your Chamber, gentlemen, is one of the important factors in the economic life of this great city. In these days when the after-events of the war have created so serious a financial and economic position amongst countries which formerly were financially sound and commercially strong, it must be a matter of great satisfaction to realise that

India, both as regards rate of exchange and smallness of unproductive debt, holds a position which is, I believe, unchallenged by any other country in the world.

The whole world is politically and commercially passing through a great crisis but I feel confident that with economy, sound commerce, and, may I add, the application to all our problems of these two most useful attributes of human nature, common sense and sincerity, India will not only maintain her financial position but will lead the way towards industrial, social and political peace and prosperity. I cannot claim, at present, as intimate a knowledge of India as I would wish, or such as I hope to acquire, but from all I have learnt and read of the present position I believe I am right in speaking as I have done to you in an optimistic tone; and I feel sure you will agree with me that a robust confidence in the future, based as that confidence is on sound grounds, does much to inspire confidence and helps greatly to overcome whatever obstacles may be in the pathway of real progress.

Lady Wilson desires me to express to you her very sincere thanks for the hearty welcome you have accorded to her and her earnest assurance that she will spare no pains to support and to further the charitable institutions to which you have referred in your address.

Once more I must express to you my gratitude for the welcome you have extended to me, and my sincere hope—a hope made confident by the generous terms of your address—that we shall be enabled in friendly co-operation to do something for the future prosperity of this city and Presidency in the years that lie ahead.

APPENDIX C-1.

PUBLICATION OF DAILY LISTS OF IMPORTS AND EXPORTS.

No. 7533-G. of the 13th March 1923.

**From the Government of Bombay (Revenue Department)
to the Chamber.**

Subject.—Publication of the daily list of imports and exports.

I am directed by the Governor in Council to enclose a copy of the letter from the Government of India, Department of Commerce, No. 1359, dated 3rd March 1923, on the subject

mentioned above, and to request that the Government of Bombay may be favoured with the views of your Chamber on the proposals contained in paragraph 2 of the letter.

No. 1359 of the 3rd March 1923.

**From the Government of India (Department of Commerce),
Delhi, to the Government of Bombay (Revenue
Department).**

I am directed to say that, as a measure of economy in the Customs Budget, it has been suggested by the Collector of Customs, Calcutta, that the publication of the daily lists of imports and exports should be stopped unless the commercial public are prepared to raise their subscription so as to make the lists self-supporting. A similar proposal has been received from the Government of Burma, who suggest that these daily lists should be replaced by a weekly statement of certain staple articles to be published in the *local gazette*, and consider that this would be much less expensive than the daily lists and would be sufficient for all practical purposes. In this connection the Collector of Customs, Rangoon, observes that an alteration of subscription rates would not result in any substantial improvement in the receipts.

2. These daily lists of imports and exports are published primarily for the convenience of trade, and the Government of India do not consider it desirable to come to a decision on these proposals until they have ascertained the views of the commercial public concerned as to the advisability or otherwise of (a) discontinuing these lists altogether, (b) substituting for the daily lists a weekly list as suggested by the Government of Burma or (c) placing the lists (either in their present or in a changed form) on a self-supporting basis by raising the contribution. I am therefore to request that, with the permission of His Excellency the Governor in Council, the local commercial community may be consulted in the matter, and their views, together with comments of the local Government thereon, may be communicated to the Government of India in due course.

No. 774-143 of the 22nd March 1923.

**From the Chamber to the Government of Bombay
(Revenue Department).**

I have the honour to acknowledge receipt of your letter No. 7533-G, dated the 13th March 1923, and its accompaniment on the subject of the proposal of the Government of India to discontinue or curtail the publication of the daily lists of imports and exports, which at most ports are issued by the Collector of Customs.

2. In reply I am to inform you that Bombay is not directly concerned with the proposal in question since this Chamber is entirely responsible for the issue of the returns for the port of Bombay.

3. I am however to state that in my Committee's opinion any curtailment of the Daily Trade Returns at the other ports of India would generally be highly inconvenient to the trade of the country and accordingly my Committee are strongly opposed to any restriction of the issue of the returns and I am to add that they trust that their opinion on this subject will be forwarded to the Government of India in due course.

APPENDIX C-2.

MONTHLY TRADE RETURNS OF THE BOMBAY PRESIDENCY.

No. S. 448 of the 31st May 1923.

From the Collector of Customs, Bombay, to the Chamber.

In view of the urgent necessity for retrenchment and economy in all directions I intend to recommend Government to discontinue the publication of the monthly trade returns of the Presidency of Bombay excluding Sind in Part VI of the *Bombay Government Gazette*. These returns cannot be published punctually and do not give comparative figures, and I understand that very little use is made of them by the public, which naturally prefers the more complete and up-to-date information published by the Commercial Intelligence Department and by your own Chamber. I therefore have the honour to enquire whether your Chamber have any objection to my proposal. In this connection I may state that any statistical information which is compiled in my office will always be made available to your statistical staff working in this Customs House.

I may add for your information that the Karacchi Chamber of Commerce have assented to a similar proposal recently made by the Chief Collector of Customs in Sind for the discontinuance of the publication of the Sind Trade Returns in the *Sind Official Gazette*.

No. 1367-204 of the 8th June 1923.

From the Chamber to the Collector of Customs, Bombay.

I have the honour to acknowledge the receipt of your letter No. S-448, dated the 31st May 1923, in which you request my Committee's opinion on the proposal to discontinue the publication of the trade returns published in Part VI of the *Bombay Government Gazette*:

2. At the outset I am to convey to you my Committee's appreciation of your agreement to allow the Chamber's staff at the Customs House access to the statistical information compiled in the Customs House.

3. In reply to your enquiry I may point out that the utility of the trade returns may conveniently be considered under two headings :—

(a) Their use to the Chamber.

(b) Their use to the general commercial public.

(a) In this regard I am to mention that the returns have extensively been used by the Chamber's staff when answering statistical enquiries, but I am to say that in view of your agreement to allow the Chamber's staff access to the statistics in the Customs House, my Committee are prepared to approve of the proposal in question.

(b) In this connection I am to state that my Committee wish to express an opinion on behalf of the members of the Chamber alone and not on behalf of the general commercial public of this Presidency.

Your agreement above-mentioned will make it possible for members of the Chamber to obtain, on occasion, the statistical information hitherto published in Part VI of the Gazette, by application to the Chamber, even though that part of the Gazette is not published. In view of this fact and the fact that many of the statistics published in the Gazette are obtainable in other publications, my Committee consider that the reasons of economy which have led to the proposal justify its being proceeded with.

4. In conclusion I am to state that my Committee do not raise any objections to the proposal only on the understanding that the Chamber's staff will always be accorded by the Collector of Customs the privilege of access to the Customs House records which you have so kindly promised.

No. 1620 of the 12th November 1923.

Circular letter from the Manager, Government Central Press, Bombay, to the Chamber.

The undersigned has the honour to intimate that Part VI of the *Bombay Government Gazette*, printed and supplied by the Manager, Yeravda Prison Press, and Part V of the *Sind Official Gazette*, printed and supplied by the Manager, Commissioner's Printing Press, Karachi, will not be printed from the month of November 1923, under orders of Government.

APPENDIX C-3.

SEA-BORNE TRADE STATISTICS OF BRITISH INDIA.

REVISION OF ⁶LISTS OF ARTICLES.

No. 2197-2202-S. T. of the 19th March 1923.

**From the Director-General of Commercial Intelligence,
to the Collectors of Customs, Calcutta, Bombay,
Karachi, Madras, Rangoon and Balasore.**

I have the honour to request that the following changes may be made in the lists of articles specified in the Sea-borne

Trade Returns of British India with effect from 1st April 1923 :—

(1) *Specification of new articles :—*

The undermentioned articles should be separately specified in the foreign sea-borne trade returns under the heads or sub-heads noted against each :—

List No. 1—Imports of foreign merchandise—private merchandise.

- | | | | |
|-----|------|----------------------|----------------------|
| (a) | (i) | Sanitary earthenware | } Value—Earthenware. |
| | (ii) | Other kinds | |

Pipes of earthenware, which are at present recorded under “Building and engineering materials” should be classified under the heading “Earthenware” in future. The detailed heads under “Earthenware” will be as follows :—

Earthenware and Porcelain Earthenware.

- | | | |
|-------|-------------------------------|--------|
| (i) | Pipes of earthenware—Cwt. and | Value. |
| (ii) | Sanitary ware— | Value. |
| (iii) | Other kinds— | Value. |

Similar changes in the classification of pipes of earthenware should be made under imports—Government stores and also in List No. 2—Re-exports, and List No. 3—Exports, both under private merchandise and Government stores, wherever necessary.

- | | | | |
|-----|----------------------|---------------|--|
| (b) | Gas engines | No. and value | } Machinery and
mill-work. Prime
movers
(other than
electrical).
Other than
locomotives. |
| | Parts of gas engines | Value. | |

Number should be recorded in addition to value also in the case of :—

- (i) Oil engines and

(ii) Steam-engines under each of the following two sub-heads :—

(a) Locomotives and

(b) Other than locomotives—

Parts of oil engines and steam-engines should also be separately specified.

The sub-heads and detailed heads will be as follows :—

Machinery and mill-work—

1. Prime movers (other than electrical)—

(a) Locomotives (excluding those for railways)

(i) Oil engines—Number and value.

(ii) Parts of Oil-engines—value.

(iii) Steam engines—Number and value.

(iv) Parts of steam-engines—value.

(v) Others—value.

(b) Other than locomotives—

(i) Gas engines—Number and value.

(ii) Parts of Gas engines—value.

(iii) Oil-engines—Number and value.

(iv) Parts of oil engines—value.

(v) Steam engines—Number and value.

(vi) Parts of Steam-engines—value.

(vii) Others—value.

(c) Ploughs and parts Value—Machinery and mill-work.
—Machinery, not being
prime movers or electrical and agricultural
machinery.

(d) Diamonds—Value—Precious stones and pearls,
unset.

The sub-heads will be as follows :—

Precious stones and pearls, unset—

Diamonds.

Other precious stones.

Pearls.

- (e) (i) Farinaceous foods } Cwt. and value—Provisions
in bulk. } and oilman's stores.
- (ii) Milk foods for in- }
fants and in- } Farinaceous and patent
valids (wholly } food.
or mainly milk. }
- (iii) Other sorts.
- (f) Tyres and tubes for cycles—No. and value—Rubber manufactures.
- (g) Pencils (excluding slate pencils) Doz. and value—Stationery (excluding paper).
- (h) Stockings and socks—Doz. pairs and value—Cotton manufactures—hosiery.

List No. 3—Exports of Indian Merchandise.

- (i) Boiled rice—Tons and value—Grain, pulse and flour—Rice not in the husk.

(2) *Revision of the classification of paper and pasteboard in List No. 1—Imports—*

The existing sub-heads under Paper and Pasteboard in the import trade returns should be replaced by those detailed in the statement (marked A) enclosed.

(3) *Revision of the classification of petrol, etc.—*

The general heading "Petroleum, dangerous flashing below 76° F. including petrol, benzine and benzol" should be adopted—

- (a) in place of "Petroleum, dangerous flashing below 76° F. (benzine, benzol, petrol and other motor spirits)" in List No. 1—Imports of foreign merchandise.
- (b) in place of "Dangerous, petroleum flashing below 76° F.—
- (i) Benzine and Petrol.
- (ii) Benzol and other motor spirit "

in List No. 3—Exports of Indian merchandise, and

(c) in place of "Dangerous petroleum flashing below 76° F.—

(i) Benzine and petrol.

(ii) Benzol and other motor spirit."

in the returns of imports and exports of Indian merchandise in the Coasting trade.

(4) The term "Refractory bricks" under "Buildings and engineering materials" in the foreign import trade returns of Government stores should be changed to "Firebricks" as in the list of private merchandise.

(5) The sub-head "Rosa Oil" under "oils—essential" in the list for exports of Indian merchandise should be omitted.

(6) The major head "Vehicles" opened last year should also be introduced under Imports—Government stores, with the sub-heads "Carriages, etc." and "Ships, parts of" transferred to this head. Similar classification should also be followed in List No. 2—Re-exports and List No. 3—Exports. The details will be as shown in Statement B annexed.

2. A request has been received for the separate specification of tin plates in the import returns. A copy of the not attached correspondence is attached. I shall be glad if you will be so good as to let me have your views on the point. Meanwhile a separate record of the imports of tin plates may kindly be maintained in your Customs House from 1st April, 1923, and the figures reported to this department. If it appears to be workable, this article will be introduced into the accounts from that date.

No. 2206—S. T.

* Copy forwarded to the Secretary, Bombay Chamber of Commerce, Bombay, with reference to the correspondence ending with his letter No. 1919-2600, dated 26th October 1922, for information.

STATEMENT A.

Proposed revision of the classification of Paper and Pasteboard in the import trade returns.

PROPOSED HEADINGS.

Paper and pasteboard :—

1. Paper—

- | | |
|--|-----------------|
| (a) Packing paper | Cwt. and Value. |
| (b) Printing paper— | |
| (i) Newsprinting | Cwt. and Value. |
| (ii) Other sorts | Cwt. and Value. |
| (c) Writing paper and envelopes— | Reams. |
| (i) Writing paper | Cwt. and Value. |
| (ii) Note and letter paper and envelopes | Cwt. and Value. |
| (d) Old Newspapers in bales and bags | Cwt. and Value. |
| (e) Other kinds of paper | Cwt. and Value. |
| (f) Paper manufactures | Cwt. and Value. |

2. Pasteboard, mill-board and card-board of all kinds.

- | | |
|---|-----------------|
| (a) Straw boards | Cwt. and Value. |
| (b) Other kinds | Cwt. and Value. |
| (c) Manufactures of pasteboard, mill-board and card board | Cwt. and Value. |

STATEMENT B.

LIST No. I—IMPORTS.

Government Stores.

Vehicles (excluding locomotives, etc., for Railway)—

- (i) Carriages and carts (excluding railway carriages) and parts thereof.
- (ii) Ships, parts of (excluding launches and boats).
- (iii) Other sorts.

LIST NO. 2—RE-EXPORTS.

Private Merchandise.

Vehicles (excluding locomotives, etc., for Railways)—

- (i) Ships, parts of (including launches and boats).
- (ii) Other sorts.

Government Stores.

Vehicles (excluding locomotives, etc., for Railways)—

- (i) Ships, parts of (including launches and boats).
- (ii) Other sorts.

LIST NO. 3—EXPORTS.

Private Merchandise.

Vehicles (excluding locomotives, etc., for Railways)—

- (i) Carriages and carts.
- (ii) Parts of carriages and carts.
- (iii) Ships, parts of (including launches and boats).
- (iv) Other sorts.

Government Stores.

Vehicles (excluding locomotives, etc., for Railway)—

- (i) Carriages and carts (excluding Railway carriages) and parts thereof.
- (ii) Ships, parts of (including launches and boats).
- (iii) Other sorts.

No. 925-151 of the 12th April 1923.

From the Chamber to the Director-General of Commercial Intelligence, Calcutta.

I have the honour to acknowledge the receipt of your letter No. 2206-S. T., dated the 19th March 1923, on the subject of the revision of the lists of articles specified in the Sea-borne Trade Returns of British India.

In reply I am to inform you that the proposed changes in the above return as set out in your letter have been carefully considered by my Committee, who have, however, no comments to offer regarding the proposed alterations nor do they wish to suggest any further alterations at the present time.

APPENDIX D-1.

DISCONTINUANCE OF ONE RUPEE NOTES.

No. 708-F. of the 24th April 1923.

**From the Government of India (Finance Department),
Simla, to the Chamber.**

I am directed to invite your attention to the remarks of the Indian Retrenchment Committee on the question of the discontinuance of the one-rupee note. Paragraph 5 of the Committee's Report under the head "Currency" reads as follows :—

"We reproduce as Appendix A an extract from a note by the Controller of the Currency regarding the relative cost of the silver rupee and the one-rupee note, from which it would appear that it is more economical to use silver rupees than paper rupees. The one-rupee note was introduced as a war measure. Generally speaking, no solvent country, so far as we know, issue a note of a such a small denomination as one rupee, and we think that if, as appears to be the case, a saving would accrue from the discontinuance of the one rupee note, the issue of these notes should be abandoned."

2. The Government of India do not wish to trouble the Chambers on the subject of the relative cost of one-rupee notes as compared with silver rupees. The calculations quoted by the Retrenchment Committee were admittedly of a hypothetical nature and the Government of India will themselves consider this aspect of the question in the light of all the information that is available and after consideration

of the report of the special officer who has been deputed to England to study the question of reduction in cost of note forms and the possibility of manufacturing or printing them in this country. There are moreover other factors which enter into the question of cost which have to be taken into consideration; for example a reduction in the number of note forms will appreciably reduce the cost of handling notes at the Currency Offices and will thus reduce the cost of Currency establishments. On the other hand, the substitution of silver rupees for notes will lead to an appreciable increase in the remittance charges which are borne by Government; for example, in the last two years the greater part of the finance of the jute crop in Bengal has been met by notes of the ten-rupee and one rupee denominations which have been sent out to the jute districts. If the one-rupee note were discontinued, some portion of the remittance would undoubtedly have to be in the form of silver which is naturally much more expensive. Another factor which has to be taken into consideration is the extent to which the one-rupee notes in their booklet form, which is slightly more expensive than the single notes, have replaced notes of higher denominations. The question of relative cost, therefore, will involve very careful and detailed examination.

3. The point on which I am to invite an expression of opinion of your Chamber is the value which, in the opinion of your Chamber, is attached by commercial men and the public generally to the provision of paper currency of such a small denomination as one rupee. It is obvious that the question of the discontinuance of the one-rupee note cannot be decided on the question of cost alone. The Indian Retrenchment Committee, it will be observed, objected to the one-rupee note on grounds of principle also and the question of principle is undoubtedly an important one. On the other hand, in a matter such as this the convenience of the public requires to be fully considered. The notes in the booklet form are popular and they have in fact been unable fully to meet the demand. There is the further point that the one-rupee note in the past was found useful as a substitute for silver when the price of silver was high and silver was difficult to obtain. It may therefore be regarded as a useful

reserve should similar circumstances arise again ; and the use of these notes, which is now more or less firmly established throughout the country, might be difficult to restore in time of emergency I am to invite the opinion of your Chamber on these general aspects of the question.

No. 1233-184 of the 17th May 1923.

From the Chamber to the Government of India (Finance Department), Simla.

I have the honour to acknowledge the receipt of your letter No. 708 F., dated the 24th of April 1923, in which you request the opinion of this Chamber on the question of the discontinuance of the one-rupee note.

2. I am to say at the outset that in so far as the economic aspect of this question is concerned, my Committee are strongly of opinion that the withdrawal from circulation of the one rupee note is greatly to be desired, for, in their opinion, there can be no justification for the continuance of the issue of these notes having regard to the very favourable percentage of metallic backing that the Indian note issue at present possesses.

3. Notes of this small denomination were originally issued purely as an emergency measure to cope with circumstances that my Committee consider will never occur again to the same acute extent ; and as the reserves of silver coin are clearly of sufficiently large dimensions to permit of the redemption—if need be—of this class of note I am to say that my Committee have no hesitation in affirming that they should be withdrawn from circulation as soon as may be convenient.

4. I am to state that in the opinion of my Committee the withdrawal of small denomination notes is likely to increase the circulation of silver coin, a state of affairs most eminently desirable in India where the illiterate section of the populace believe that the free circulation of silver rupees is a sign of strength in the position of the Government ; further, I am

to add that notes of this denomination are invariably held mainly by the poor and ignorant classes and that therefore their withdrawal will remove to a great extent the danger and inconvenience of a rush to exchange paper for currency in times of emergency.

5. Finally, I am to point out that considerable inconvenience is experienced in many instances by the commercial community owing to the difficulty of "shroffing" these notes; also my Committee are of the opinion that the abolition of the one-rupee note would probably lead to an increase in the use of the five-rupee note for the era of the one-rupee note has led to an extended use of paper currency, and for this reason they do not view at all seriously the theory that should the one-rupee note be withdrawn it would be difficult to restore it in case of emergency.

APPENDIX D-2.

INDIAN PAPER CURRENCY ACT, 1920.

PROPOSED AMENDMENT.

Dated the 4th April 1923.

**From the Government of India (Finance Department),
Camp, Bombay, to the Chamber.**

Referring to the conversation between the Hon'ble Finance Member and your Committee this afternoon, the Government of India would be glad to be favoured at an early date with the opinion of your Chamber on the following suggestions for amending the law and procedure regulating the grant of loans from the Paper Currency to the Imperial Bank of India upon the security of Bills of Exchange :—

(1) That the permissible limit of such loans should be increased from 5 crores to 12 crores ;

(2) That the loans should bear interest at Bank rate varying, and should be limited to 3 crores when the Bank rate is at 6 per cent., to a further 4 crores when the Bank rate is at 7 per cent., and to further 5 crores when the Bank rate is at 8 per cent.

It is not proposed to alter the form of the security required which is defined at present as internal bills of exchange or hundis certified by the Imperial Bank as drawn for trade purposes.

No. 1106-168 of the 2nd May 1923.

From the Chamber to the Government of India (Finance Department), Simla.

I am to refer to your letter of April 4th, in which you ask for the opinion of this Chamber on certain suggestions for amending the law and procedure regulating the grant of loans from the Paper Currency to the Imperial Bank of India upon the security of Bills of Exchange.

2. The proposals put forward in your letter were—

(1) That the permissible limit of such loans should be increased from Rs. 5 crores to Rs. 12 crores.

(2) That the loans should bear interest at Bank rate varying, and should be limited to 3 crores when the Bank rate is at 6 per cent., to a further 4 crores when the Bank rate is at 7 per cent., and to a further 5 crores when the Bank rate is at 8 per cent.

3. The suggestions above enumerated have received the very careful consideration of my Committee who are in entire agreement with the principle of granting powers to Government temporarily to expand the currency when the seasonal demand is of such dimensions as to justify it, and they further agree that the permissible limit of such expansion should be increased from Rs. 5 crores to Rs. 12 crores,

4. I am, however, to say that my Committee are of opinion that it is not advisable for the Government of India to lay down such hard and fast rules as to the limits to be observed by them at the varying levels of the Bank rate.

In this connection they suggest that the desired object would possibly be more certainly obtained if legislation were enacted conferring on Government powers to grant loans from the Paper Currency to the Imperial Bank of India up to a figure of Rs. 5 crores when the Bank rate is 7 per cent., the remaining Rs. 7 crores to be issued only when the Bank rate is 8 per cent. or higher.

5. My Committee feel that this should in normal years stabilise the Bank rate in the near neighbourhood of 7 per cent., which, in their opinion, would be helpful to trade generally.

6. I am, in conclusion, to add that my Committee desire to emphasize that the power to grant loans to this increased extent should, in their view, be administered with the greatest consideration for Exchange.

APPENDIX D-3.

THE CURRENCY AND EXCHANGE QUESTION.

*Extract from the Proceedings of the Annual General Meeting
of the Associated Chambers of Commerce of India and
Ceylon held at Bombay on Tuesday, 4th December
1923.*

MR. (NOW SIR) FRANK NELSON, M.L.C., *President,*
in the Chair.

THE PRESIDENT:—I call upon the Bombay Chamber to move their resolution No. 7 on the agenda, on the subject of the currency question.

THE HON'BLE SIR ARTHUR FROOM (Bombay):—The resolution which I am about to propose, on behalf of the Bombay Chamber, is:—

“That this Association desires to reiterate the opinions expressed at the last Annual General Meeting of this Association, that:—

‘With reference to any proposals to restore the ratio of Rs. 15 to the sovereign, this Association is of the opinion that no alteration of the nominal ratio will be of any advantage to India until world conditions become more stable and until the internal finances of the country have been put on a sound basis.

Thereafter the question of reverting to a ratio of Rs. 15 to the sovereign or any other ratio should be examined by Government in consultation with the various Chambers of Commerce in India but should not form the subject of enquiry by a special commission as such commissions have an unsettling effect on trade and are liable to destroy confidence.’”

Sir, I propose to commend this resolution to the meeting in a very few words, for world conditions as regards the currencies and exchanges of all nations are—if anything—in a somewhat greater state of chaos than that obtaining when this resolution, then proposed by the Bengal Chamber, was debated and unaimously passed in January of this year on the occasion of the Fourth Annual Conference of this Association.

Virtually all the arguments then used hold good to-day—many indeed have gained additional emphasis—and I am confident that it would prove an impossible task at the present time to devise a stable Gold Exchange Standard for India which would stand the tests of the severe fluctuations in the precious metals and in the world's exchanges.

In the eleven months which have elapsed between our last Annual Meeting and to-day the Dollar/Sterling quotation has varied from 4·28 to 4·72, and the French Cross Rate has varied from 62·70 to 83·20 and Bar Silver from 30½ to 33½.

These facts alone serve, to a great extent, to point my moral. But if they prove at all insufficient I have only to cite the case of Germany—normally a large, if not the largest, buyer of Indian raw material—whose currency has not merely depreciated but has ceased seriously to exist; take, for example, the nominal quotation to-day of about Mks. 40,000,000,000 || £1 as compared with Mks. 40,000 || £1 of about a year ago. It would perhaps interest those gentlemen who have not recently been home to know that, shortly before I left England, a little more than a month ago, itinerant hawkers were selling mark notes in the streets of London and were attracting the attention of passers-by by shouting out, “ ’ere you are, one million German marks for tuppence.”

We cannot reasonably expect London to become again a free gold market until it is apparent what will be the effect on the dollar cross rate of the recently concluded arrangement whereby the huge debt owing to America by Great Britain has been funded and is to be liquidated by stated annual transfers; and until London is once more a free gold market India cannot have a sterling gold point and until she has this again, I submit, it is premature to talk of altering our nominal ratio.

In regard to the latter portion of the resolution the Bombay Chamber in no way desire to dogmatise as to the exact method to be chosen by the Secretary of State for India when he finally decides to re-examine this intricate question but they feel it incumbent on them to emphasize anew the unsettling effect on trade generally which is inevitably experienced during the period in which a commission is pursuing its enquiries.

SIR CAMPBELL RHODES (Bengal):—Mr. President and Gentlemen,—The Bengal Chamber of Commerce will have no difficulty in supporting a resolution which has been framed on the lines of the resolution that we ourselves proposed last year. There is, however, a slight discrepancy in the wording to which perhaps I ought to draw attention. Sir Arthur Fromm has, in moving his resolution, used the words in which we moved our resolution last year, but by the unanimous

desire of the members this resolution was altered⁹ in two important parts. If you turn to the records of the last meeting at page 21, you will find that the resolution was passed—

“With reference to the proposals recently put forward to restore the ratio of Rs. 15 to the sovereign, this Association is of the opinion that no alteration of the nominal ratio should be considered until world conditions become more stable, etc.”

Then it goes on—

“Thereafter the question of reverting to a ratio of Rs. 15 to the sovereign, or any other ratio, should be examined by Government in consultation with the various Chambers of Commerce in India before forming the subject of enquiry by a special commission, as such commissions have an unsettling effect on trade and are liable to destroy confidence.”

I am not going to move an amendment, but I am just drawing attention to this. I think it would be better to follow the same wording as last year and I leave it to the Bombay Chamber, if they like in the course of the debate, to alter the wording accordingly.

THE HON'BLE SIR ARTHUR FROMM :—I rise at this point to say that I have no objection to having the wording altered in the manner suggested by Sir Campbell Rhodes.

THE PRESIDENT :—I think under these circumstances we might debate the resolution with the alteration suggested by Sir Campbell Rhodes ; it might perhaps give a certain amount of clarity to the general debate.

Have I the permission of the Conference for the resolution to be debated as it stands with the exception that, in line 5, the wording shall be “nominal ratio should be considered until world conditions become more stable and until the internal finances of the country have been restored to a sound basis ” and for the words “but should not form” in line 10 the words “before forming” shall be substituted ? May I assume the permission of the Conference to these alterations ?

(The necessary permission was accorded.)

The Conference has given permission for the resolution put forward by the Bombay Chamber of Commerce to be altered to read as follows:—

“With reference to any proposals to restore the ratio of Rs. 15 to the sovereign, this Association is of the opinion that no alteration of the nominal ratio should be considered until world conditions become more stable and until the internal finances of the country have been restored to a sound basis.”

“Thereafter the question of reverting to a ratio of Rs. 15 to the sovereign, or any other ratio, should be examined by Government in consultation with the various Chambers of Commerce in India before forming the subject of enquiry by a special commission, as such commissions have an unsettling effect on trade and are liable to destroy confidence.”

We shall now debate that resolution as read out, as the Conference has agreed to the alterations suggested.

SIR CAMPBELL RHODES (Bengal)—In reading over this resolution, as now amended, I did pause for a minute to consider these words “until the internal finances of the country have been restored to a sound basis”. Until last year, you will remember, we have had, year after year, budgets showing a series of deficits. Since then the Honourable the Finance Member, taking his courage in both hands, insisted on the Assembly balancing the budget on paper, but whether he has succeeded in balancing it with the actuals ascertained at the end of the year he alone will be able to tell us. He may have in his pocket some nice surprises for us, but the public returns in some directions are distinctly disquieting. So, on consideration, I am not disposed to cavil at these words being included this year again, because we are not at all certain that our internal finances are yet on a stable foundation. As regards this question of balancing budgets, there are here two distinguished members of the Council of State and one humble member of the Legislative Assembly and,

unless we hear anything to the contrary, we shall take it that we carry back with us to Delhi for next session a mandate from the Associations that, in the opinion of the Associated Chambers of Commerce, the annual budget must be made to balance.

Now, in regard to the internal finances of the country, I should like to say a word on the subject of inflation and how it would be affected by an immediate alteration of the ratio. The Hon'ble the Finance Member has recently decided to part with certain of his gold reserves, and, therefore, the figures would be slightly altered. In this connection, I have no doubt that he will take this opportunity of indicating his policy in regard to these gold reserves. A gold standard currency must eventually fall back on some backing of gold and naturally any inroads into our gold reserves must be looked at with some suspicion. At the same time I am not going to criticise his action. I should only like to point out that in this matter, if India keeps a much larger reserve of gold than is necessary, it is doing so at the cost of a great loss of interest. If, on the other hand, it keeps a smaller backing of gold than is necessary it is putting its currency, in great danger. It is for the Finance Member to decide what is the proper reserve necessary and to err, if he must err, on the side of having too large rather than too small a reserve. I understand that before these sales we had in circulation about 24 crores of notes which were backed by gold. I should like to hear from the Finance Member whether, in the event of the Act being altered, as was proposed by that distinguished member of the Assembly, the late Sir Vithaldas Thakersey, from the Rs. 10 to Rs. 15 ratio, such a course would necessarily involve inflation by 12 crores. If so, of course, it is a very important matter. Now, in regard to inflation, it is not of course true that he who steals our gold steals trash, but it is certainly true that he who robs us of our good name leaves us poor indeed ; and our good name is wrapped up with our credit and our credit is closely connected with our policy in regard to inflation.

While I was at home this summer, a Cabinet Minister somewhat indiscreetly mentioned that a little inflation might

be a good thing. The effect on the credit of England was instantaneous, and it has taken some time for England to live down that suggestion. Inflation, of course, is very welcome to certain people, to the speculator for instance, who wants cheap and ever cheaper money for his speculations. This is probably a matter that does not interest you, gentlemen, in Bombay, where probably you have no speculative market in silver or cotton or such things (*laughter*), but there, like Agag, I must tread delicately. Inflation has often been advocated as a good thing in itself, and it certainly temporarily brings certain results but inflation is confused in many people's minds with an inflated currency. Inflation is the process, inflated currency is the result, and it is in the process of your inflation that certain results, which some people consider desirable, occur. You are left at the end in the condition of a man who has been exhilarated by a rather happy night such as we, for instance had last night, and who feels the effects of it in the morning. (*Laughter.*) The same, of course, is true in regard to exchange. A high exchange or a low exchange is merely a relative term. It is the process of the rising and the falling which causes dislocation. I suppose the price levels of any country, theoretically at least, could adjust themselves to any ratio you care to fix, but this question of readjustment has to be considered. Readjustment is a very easy term, but you have got to consider what lies behind it, for example, the alteration of the family budget of every one of the 350 million people in India, a painful process and a process which would add to the distress in the country which would cause unrest and might even cause worse troubles, because, as I recently wrote in quite another connection, people may not know who hit them but they will be fully conscious of the blow. Will these price levels naturally adjust themselves? That depends to some extent on how we treat our own currency. If we are going to make our rupees too cheap, naturally it is going to affect the ratio: but it is also depends on the action of other countries. As Sir Arthur Froom has pointed out, the mark is now sold in the streets of London but not as he suggested by hawkers, because in that connection I must remind him of a certain story. A policeman told one of these men to move on, as no hawkers were allowed in the street. "Hawkers," he

said, "I am not a hawker, I am a banker." (*Laughter.*) Therefore, with the world still in a state of flux, as Sir Arthur Froom has pointed out, with conditions worse in regard to foreign exchanges than they were a year ago, it is impossible at the present moment to find out what the relevant price levels in the two countries will be and what is the ratio which will eventually be fixed. We all want to get to a desired haven and secure a safe anchorage, but we do not know yet which haven to steer for. The cross currents in midchannel—the cross currencies I suppose I should call them—are pushing us hither and thither and if we steam towards one harbour, we might find at the end that the current has drifted us nearer another. We do want to get to stability as soon as possible, but we have tried the experiment of throwing down a cable in midchannel; the cable did not hold and we lost a good many fathoms of very valuable resources. It is useless to make that attempt again. As I said last year, the rupee will eventually find its own level and then we shall ask the Government but not till then, to throw down an anchor with some hope that that anchor will hold. (*Applause.*)

THE HON'BLE SIR BASIL BLACKETT :—The resolution we have been discussing advises the Government of India to have nothing to do with the thorny question of exchange; and as you see, the first effect of this advice has been to bring me to my feet for the purpose of saying a word or two on the very subject which you so strongly recommend me to avoid. I hope you will not regard this as yet another example of the futility of placing your knowledge and experience at the service of a Government which scorns them. Let me say at once that the Government of India, remote from the scene of action in financial and commercial matters, keenly feel the need of any help and guidance that such Associations as yours may be willing to afford. I welcome and should like to foster, the interest which is taken outside Government circles in questions of public policy, even when (as in this case) they are difficult and technical. The more closely we can collaborate the better.

In advising the Government not to make any attempt at present to stabilise exchange and especially not to appoint a Committee for the purpose, you clearly have in mind the

last occasion on which the value of the rupee was fixed for all eternity. The rate was then fixed at two shillings; and there it has remained—officially—ever since. Is that a consideration that should weigh with us one way or the other when we have to determine whether to take action or not at the present time?

The two-shilling rate is fictitious. I have no difficulty in recognising the fact. But this is not the only example of a discrepancy between appearance and reality, and the question remains whether the two-shilling rate does any harm. We have not far to look to find analogies. The official parity of Paris francs with the pound sterling is in the neighbourhood of 25; that fact, though it may provoke a smile, is not generally regarded as an occasion for protest and indignation. The analogy is not perfect, because, if I am not mistaken the official policy of the French Government is still to restore the franc to its official parity, whereas it has been definitely stated that the Government of India have no intention whatever of forcing up the exchange value of the Rupee with a view to making the two shilling rate effective. If there were any fear that the Government might begin to tamper with the exchange market in order to bring about by manipulation an artificial increase of 50 per cent. in the external value of the currency. I could understand that the two-shilling rate might be regarded as a sword of Damocles, perpetually hanging over the heads of those who are engaged in foreign trade. But no one really supposes any such thing and it is quite unnecessary for me to tell you that on that score there is nothing to be feared.

What else can be said against the two-shilling rate? It enters into Government accounts, and may be a source of confusion to the uninitiated. The reply is that in present circumstances we have no choice but to adopt an arbitrary rate. In most cases we have already modified our statements and taken 1s. 4d. as the basis; but this rate also is arbitrary, though in closer conformity with actual facts. I find some difficulty in believing that any one who takes an intelligent interest in Government finance is likely to be so unversed in the technicalities of exchange that he would

be deceived by the adoption of one rate or the other for accounting purposes, and I think you will not expect me to make much of this objection. All I will say is that I am entirely in sympathy with any and every attempt to present the financial statements of the Government in a simple and lucid form.

I am not aware of any other serious argument against the continuance of the two-shilling rate, and I am inclined to conclude that this official fiction is so illusory as to be quite harmless. Let me pass on to the much more interesting questions whether it would not have been better to have an effective instead of an artificial rate, and to proceed to stabilise the exchange value of the rupee.

I will assume that for practical purposes a rate of 1s. 4d. is the only alternative that need be considered in this connection at the present time. The question still arises whether, supposing the rupee had been stabilised at 1s. 4d., it would have been better to fix its value in terms of sterling or in terms of gold. It is possible, of course, to argue for and against stabilisation as such, and there are some considerations which apply equally to both of the alternative methods. But, if you will allow me, I will discuss the two possibilities separately, and deal first with the pros and cons of stability in terms of sterling.

The Government of India fully appreciate the immense advantages which would accrue from a stable exchange, not only to the trading community but to the country as a whole. Whatever there may be to say against stabilisation, there can be nothing whatever to say against stability. Exchange fluctuations introduce into business an additional and extraneous risk which leads almost inevitably to a diminution in the volume of trade. It may be true to say that in theory the movement of an exchange rate is not essentially different from a movement in the price of the commodity which is being dealt in; and it is arguable that the forward exchange market provides an opportunity for traders to protect themselves against currency losses. But the fact remains that exchange fluctuations, even when they are of moderate extent, have a deeply disturbing effect. In business the

breadth of life is confidence ; and what is required for confidence is certainty. In this matter of exchange, nothing short of certainty would be of any use. You require to know that, unless something happens which shakes the financial system of the country to its foundations, the currency in which trade debts are paid will have a value that can only vary within known and narrow limits.

It follows that, before any attempt is made to stabilise exchange, we must be very sure that we command the resources which are necessary to make certain that the attempt will be attended this time by success. I therefore ask myself whether the reserves available to the Government of India in case of need for maintaining the external value of the rupee at sixteen pence are adequate or not. At the risk of taking you over ground which is familiar to you all, I must answer this question by attempting to make a general comparison of our assets with our liabilities.

Such a comparison is not quite easy to make. We must begin, I think, by divesting our minds of many of the technicalities which have done so much to make the subject of Indian currency more confusing and difficult than it need be. Let us refuse to think in terms of a Gold Standard Reserve which contains no gold and of a Paper Currency Reserve of which an appreciable part is held in such a form that it could not be made directly available to replace paper currency. We must think of our reserves as a whole, whether they consist of balances standing to the credit of the Secretary of State in London, of securities in India or in London, or of gold bullion and silver coin in India. And the strength of these reserves must be judged by measuring them against the greatest strain which in any conceivable circumstances they could be required to meet.

The Government of India make themselves responsible for maintaining both the internal and the external value of the currency. It is the second of these responsibilities which we are considering now, but I must mention the first because it forms part of the liabilities against which reserves are held. The undertaking of the Government is to pay out coined rupees for any notes that may be tendered, and we actually

hold a sufficient quantity of silver coin to redeem more than half the gross total amount of notes outstanding, or more than two-thirds of the net amount in circulation. Even in a crisis, our ability to make specie payment on this scale may be expected to put a stop to a demand for the encashment of notes long before our reserves of coin are exhausted. But to make assurance doubly sure, the Government of India have chosen, in addition, to earmark gold as being specifically held to secure the convertibility of the paper currency. If this earmarked gold were used to purchase silver for coinage, we should be in a position to redeem the whole of the active circulation of our Paper Currency and still have something over.

But what concerns us here is the external value of the rupee; its value, that is to say, as a means of international payment. For purposes of international payments there is no need to draw a distinction between silver rupees and currency notes. The one is a note printed on silver, the other a note printed on paper. The value of both depends, from this point of view, on the power to exchange them when necessary for international currency. For foreign debts must be paid in international currency. If India is called upon to meet her indebtedness abroad at a time when she is unable to provide goods in sufficient quantity or in sufficiently short time to satisfy her creditors, she must find cash at short notice. Normally, an adverse balance could be met by borrowing cash; but borrowing abroad is not desirable in itself and in a crisis may become impossible. It is, therefore, necessary to keep reserves of ready cash for this purpose. This does not necessarily mean keeping big reserves of gold. Just as Treasury Bills in the English banking system are reckoned to be practically the equivalent of cash at short notice, so also investments in British Government securities of early maturity can safely be regarded as the equivalent of international cash. But, it is, of course, essential that our external reserves, whether invested or not, should be available in case of need without delay at an international financial centre.

Our position in this respect is not peculiar. Both in their nature and in their purpose, our external reserves are com-

parable to the portfolios of foreign bills held by Central Banks in various European countries. Mr. Keynes pointed out in 1913 in his book on Indian currency and Finance how close the comparison is between the Indian system and that which existed, for example, in Austria-Hungary before the war. "In their essential characteristics," he wrote, "and in the monetary logic which underlies them the currencies of India and Austria-Hungary are not really different. . . . In the essentials of the Gold Exchange Standard—the use of a local currency mainly not of gold, some degree of unwillingness to supply gold locally in exchange for the local currency, but a high degree of willingness to sell foreign exchange for payment in local currency at a certain maximum rate, and to use foreign credits in order to do this—the two countries agree." In fact, in Austria-Hungary before the war exchange was maintained by the Austro-Hungarian Bank around the par value of the gold crown in very much the same way as the rupee was maintained at or around 1s. 4d., from 1900 onwards by the action of the Government of India and the Secretary of State. What was true of the currency of Austria-Hungary and other countries before the war has become true of nearly every currency in the world since the war, except that few countries have yet been able to reach anything like the pre-war stability of the Austro-Hungarian krone.

This analogy suggests what I think would be an interesting method of testing the adequacy of our reserves. Let us translate the Indian position into the terms of a statement by a European Central Bank of Issue, and make our comparison of assets and liabilities in that form. We shall have to imagine that the Imperial Bank of India has been entrusted with the management of the paper currency, and, on the other hand, that it holds the Gold Standard Reserve and the balances which at present stand to the credit of the Secretary of State in London. What would then be the appearance of the balance-sheet and the ratio of cash to liabilities by which the strength of the reserve position would be judged?

I have drawn up the following hypothetical statement of the position on these lines as at the 31st October 1923. (I will circulate it, if I may, so that you may have the figures

before you.) You will observe that I have adopted a rate of 1s. 4d. rather than 2s. for the conversion of the sterling items. I find that the total cash amounts to 241 crores as against a total internal circulation of 151 crores. The cash represents 160 per cent. of the circulation and 68 per cent. of the total liabilities. Gold and balances abroad amount to no less than 135 crores, 52 lakhs.

By all accepted standards this would be judged to be a position of extraordinary strength. Let us consider what are the demands to which our reserves might be exposed in a time of crisis. I should like at this point to refer once again to Mr. Keynes' book. The following passage occurs in the chapter which he gives to the discussion of Cash balances and Reserves :—

“ I do not think it has ever been thought out quite clearly for what precise purposes these reserves are held. The difficulty can be put shortly in this question. Are they held purely as a currency reserve, or are they to fulfil also the purpose of a banking reserve ? Is their only purpose, that is to say, to make certain that the Government will always be able to exchange for sterling such rupees and notes as may be presented to them, or are they also intended to ensure India's being able to meet her international obligations at a time of dangerous crisis ? The two purposes are plainly not identical. If all bankers and merchants keep adequate reserves in rupees and notes, then it will be sufficient if the Government are always able to turn these rupees and notes into sterling. But if in a financial crisis the Indian Money Market as a whole is in fact unable to meet its international obligations without Government assistance, is it the Government's intention to stand calmly aside and permit (for example) a suspension of cash payments by the three Presidency Banks, or will they, if necessary, use their sterling reserves to give some support to the Indian Money Market *in extremis* ? ”

I am inclined to add parenthetically that the story of the Alliance Bank of Simla suggests the further question whether, and if so to what extent, these reserves are held for the purpose of maintaining the stability of the machinery of internal credit in India in time of crisis. But to continue my quotation from Mr. Keynes :—

“ If the Government's Reserve is held purely to support the currency, then the maximum volume of rupees and notes, which could, so far as one can anticipate, be spared from the circulation and tendered to the Government for exchange, sets an upper limit to the necessary amount of this Reserve. If, on the other hand, it is intended to act as a banking reserve and to ensure India's ability to meet her international obligations at all times, then its upper limit is set by the probable maximum amount of the adverse balance which could arise against India for immediate payment. ”

The question there raised is an important question to which I think the ten years that have elapsed since this passage was written have provided an answer. The reserves of international currency held by the Government of India are banking reserves as well as currency reserves ; that is, they are intended to be a guarantee of solvency in the face of any conceivable balance of indebtedness against us, even if at the same time we had to face an internal banking crisis as well. Normally, of course, India's exports, visible and invisible, show a considerable excess over her imports, even after taking into consideration imports of treasure on private account, and it is out of this surplus, supplemented by any investments from abroad that may be made in Indian industrial undertakings and non-governmental enterprises, that remittances are made to London for the purpose of meeting the Government's expenditure outside India. We have, for example, remitted over £21 million, in this way since the 1st April 1923 thereby more than covering our sterling requirements for the year. Of this amount, some £6¼ millions have been remitted by the traditional system of Council Drafts and £7½ millions by the recently introduced system of purchases of sterling for rupees in India. I think we may

with reason congratulate ourselves on the success of this new development. I have the authority of an exceptionally well qualified judge—no less a person, Mr. Chairman, than Mr. Frank Nelson of Bombay—for saying that not only has the new system enabled the Government of India, during the current financial year, to remit larger amounts at, on the whole, more advantageous rates than would have been possible by means of Council Drafts only, but that in the absence of this method of effecting day to day purchases in India the fluctuations of the rupee-sterling rate would have been very violent and most disturbing to trade and industry.

To return to our reserves; for the moment we are concerned with the use of these reserves as currency reserves, for maintaining the exchange value of the rupee. The net sterling liabilities of the Government of India are now estimated for the current financial year at some forty millions, and the reserve resources available for meeting them amount, as I have shown, to more than twice that sum. In other words, the Government of India could manage to pay their way abroad without coming on to the exchange market at all for two years. There can be no doubt, therefore, that in present circumstances our reserves are ample in case of need for the support of exchange to the extent necessary to maintain the value of the rupee at sixteen pence.

This brings me at last to the question whether, having, as I admit, the ability to do so, we ought to have adopted a policy of stabilisation in terms of sterling at 1s. 4d. Consider for a moment what that means. It means in the first place that we should have to begin by inflating our currency, for the rupee stands to-day at about 1s. 5d. That would perhaps not be a heavy price to pay for the benefits of stability. But what kind of stability should we have achieved? Currencies and prices, the world over, are in a state of flux, and although the pound sterling is relatively stable as compared with German marks or Paris francs, it stands to-day at nearly ten per cent. below its pre-war parity. It is not unreasonable to anticipate that sterling exchange on New York will, in due course, return to 4·86 2/3. In that event we must expect a corresponding adjustment of the general level

of prices in England and the United States either through a rise of prices in the United States or through some fall in English prices." But if the rupee, throughout this transitional period, is to be worth sixteen pence, the Indian price level must follow suit. That is to say, that, having begun by inflating our currency so as to bring down exchange from 1s. 5d. to 1s. 4d., the Government of India might have to deflate again and to expand their foreign reserves in an attempt to force down internal prices *pari passu* with a downward movement of prices in England as compared with the United States. I wonder what would have been gained by committing ourselves in advance to such a policy. Remember that once we had embarked upon it there could be no turning back. We should have linked ourselves irretrievably to a currency that was liable to involve us in a policy of further deflation. The history of the attempt to fix the rupee at 2s. gold in 1920 and the distrust of the Government which has unfortunately resulted from the failure of that attempt should warn us not to embark afresh on any new policy unless we are determined at all costs to carry it through. A temporary settlement, liable at any time to be modified or abandoned, would fail to give that certainty which is the very object of stabilisation.

But I have taken the most favourable case. I have assumed that sterling is destined to pursue the even tenor of its way gradually back to pre-war parity with gold. The best hope of countries with a comparatively stable exchange of restoring the gold standard is that England will lead the way. In the contrary event not only will Scandinavia and Holland have to reconsider their position, but countries such as Australia and South Africa within the British Empire will have to consider seriously whether they should not break loose from sterling. I have myself no doubt that sterling will continue to work its way back to gold parity. But that may be regarded by some of you as a decidedly hazardous assumption. You know very well the difficulties which England is facing at the present moment. On the one hand, the payment of the American debt involves a direct burden on the exchange of which the full effects have yet, perhaps, to be appreciated on both sides of the Atlantic. On the other hand, internal resources are being strained by yet another winter of unem-

ployment. A large and influential body of opinion in England would favour the deliberate adoption of a policy of inflation more or less thinly disguised ; and it is possible that, in spite of warning examples on the Continent of Europe, the limit of endurance may be reached at which financial principles will be sacrificed in the hope of relieving present distress. What then ? England sets her foot upon the slippery path which leads, according to the Brussels Conference, to an everlasting bonfire of currency notes. And the rupee has been fixed at sixteen pence ! There can be no turning back. The relation in which India has thereby been made to stand to England as regards the volume of purchasing power and the general level of prices must be scrupulously maintained. In fact, India must suffer all the inconveniences of a general rise in commodity prices in order to avoid an increase in the sterling value of the rupee.

It might be objected that my argument assumes a closer correspondence than usually exists between the external value of a currency and the relative level of internal prices in the countries concerned. I am not by any means a pedantic believer in the fashionable doctrine of purchasing power parity, more especially if it is applied to India. It seems to me to assume that economic laws operate more smoothly and swiftly than is often actually the case, and I am sure that in India there are obstacles which delay, and even perhaps prevent, the automatic adjustments which the theory is apt to postulate. But I do maintain that in the long run some kind of equilibrium between prices and currency values is bound to be reached, and I will go so far as to say that the policy of maintaining a fixed exchange must, to a considerable extent, be a policy of modifying commodity prices through the medium of the currency. If in India the consequential adjustments are difficult to produce and slow to take effect, that seems to me to increase the difficulty and danger of assuring fixity of exchange in a period of widely fluctuating world prices.

The reason, then, why I think it would not have been wise to stabilise the rupee at sixteen pence is that by doing so we should have surrendered our freedom of action in a matter

which vitally concerns us. In effect, our currency policy would have been liable to be dictated to us from abroad. For good or for evil we should have been bound to conform to the movements of sterling, at a time when even sterling is liable to fluctuations that may well be very considerable. Our boasted stability would have been no more than apparent. For us in India it is easy to overrate the extent to which the world can be said to have settled down financially. Commodity prices have been more stable here than anywhere in the world; exchange seemed until recently to have relapsed automatically to its pre-war level and to be inclined to remain there. It was perhaps tempting to assume that the return to what might fairly be called normal had been successfully completed within five years from the end of the war. I wish I could share that opinion. Perhaps I may remind you that after the American Civil War full fifteen years elapsed before the almighty dollar itself was restored to parity. And if I may refer to my own recent experience in Europe, I would say that, to my mind, it is much easier to underrate than to exaggerate the extent to which all economic values are still liable to be disturbed. I cannot subscribe to the view that present conditions necessarily approximate to what in future years we shall call normal, and that seems to me to be one more justification of the policy which the Government of India have pursued in steadfastly refusing to be committed to a currency policy which could only be successful and secure if the rest of the world could be relied upon to remain as stable as the rupee.

You will have appreciated already that my main objection to stabilisation at 1s. 4d. sterling applies equally to stabilisation at 1s. 4d. gold. But the proposal, if made in this form, raises one or two special considerations which I should like to be allowed to touch upon quite briefly. Once again, in a world where everything is in flux, stability would be only apparent. But in this case we are involved in a fluctuating relation with sterling, in which I suppose at least nine-tenths of our transactions in foreign currencies are expressed. Let us suppose that a year ago the exchange value of the rupee had been fixed at 1s. 4d. gold. What would have been the limits of variation in exchange since the beginning of this

calendar year as compared with the fluctuations that have actually taken place? As a matter of interest I have had the answer worked out to the middle of last month, on the basis of weekly average rates in Bombay and between London and New York. We should have paid for our fixed gold value of the rupee by having to put up with sterling rates that rose to 18·09*d.* on November 17th and fell as low as 16·52*d.*, a range of more than a penny half-penny. In actual fact, exchange has varied, if we take the weekly averages, from 1*s.* 3·945*d.* to 1*s.* 4·870*d.*, a range of less than a penny. If stability is the object in the exchange which concerns us most, it does not appear that a rate of 1*s.* 4*d.* gold would have been of much assistance.

I will not pause to make more than a passing allusion to the complicated reactions which would have been set up by an announcement to the world that we intended to make a rate of 1*s.* 4*d.* gold our object. They differ in degree only from the consequences that you very rightly suppose would follow if it were thought that the Government of India intended to make their official two-shilling rate effective. I suppose an immediate tendency would set in for exchange to move towards its ultimate level; the future would be liberally discounted; speculation would be encouraged by the prospect of a certain profit; gold would look attractively cheap and bullion would be freely imported; export trade would be brought temporarily to a standstill; and in fact we should have been faced immediately by all the difficulties of an unduly appreciated exchange. And what should we have gained? We should have gained the privilege of being dragged behind the chariot-wheels of the Federal Reserve Board of the United States of America. Already, once, world prices have been violently forced down as the result of a policy of active deflation in America. If it should occur to the United States to try and restore gold prices to their pre-war level, India, with an exchange fixed in terms of gold, would be driven to renounce her intentions once again, or to submit to a contraction of her currency at the cost of heavy trading losses and a new series of social and economic disturbances. I see little reason for thinking that gold is likely to be more stable in value than sterling; and the fact is that

in terms of purchasing power the rupee has on the whole been more stable in the past than either the one or the other.

The policy of the Government of India hitherto has been stability, and I venture to think that that policy has not been unsuccessful. If I may state the case in the form of a paradox, I will say that it is precisely the mobility of prices, exchange and currency which makes it possible to maintain something approaching to an all-round equilibrium. So long as the different forces can be played off to a certain extent against one another, they can be made to produce a fairly constant resultant; but if you once fix any one of them you will find that, in the absence of a real approach to world stability, you have increased, instead of diminishing, the oscillations of the remainder. Fixity of exchange, for example, so far from securing fixity of real purchasing power for wages and salaries, would actually militate against it.

My conclusion then is, as regards the past three years, that India could not have afforded to tie her currency to any other, but did well to retain her liberty to conform only so far as suited her own interests to the exchange and price movements of other countries. But what of the future? Are we to remain indefinitely in a state of flux, waiting for the world to settle down and is there any prospect of the world's settling down unless someone begins by setting an example? I am reminded of a story of Dean Inge, "the Gloomy Dean". He was asked, it is said, not long ago whether he did not think that England was settling down. "Yes," he replied "like the Lusitania."

The whole tenor of my remarks to-day has been to suggest the unwisdom of attempting to speak too confidently about the future or to act in anticipation of events. I hope you will not expect me to offend against my own principles by proceeding at once to make a declaration of our intentions. I am not authorised to do so. But I may perhaps venture to look a little diffidently ahead. The goal towards which we are all working is, of course, a gold standard. England is doing the same. A gold standard does not by any means necessarily mean a gold currency. Let me appeal to three authori-

ties in support of this statement. My first is Plato who, in laying down laws for his ideal state, pronounced strongly in favour, not of a gold currency, but of the gold exchange standard. For internal purposes his state was to issue currency notes, stamped on bits of leather, but for international payments it was to keep a reserve of gold. My second authority is again Mr. Keynes who, in his book already quoted, expressed himself on this subject perhaps more freely than I should care to do. "Much nonsense," he says, "is talked about a gold standard's properly carrying a gold currency with it. If we mean by a gold currency a state of affairs in which gold is the *important medium* of exchange, no country in the world has such a thing (unless it be Egypt). Gold is an international but not a local currency. The currency problem of each country is to ensure that they shall run no risk of being unable to put their hands on international currency when they need it, and to waste as small a proportion of their resources on holdings of actual gold as is compatible with this". The general adoption of the practice of putting gold into circulation would at the present time involve such a demand for gold as would bring gold prices down to a level so far below the present world level as to be intolerable everywhere. Incidentally, one of the dangers of the near future is that the breakdown of the machinery of Government in Europe may extend so far as to discredit all forms of paper currency and drive people back to metallic forms of currency. Were this to occur the demand for gold as a medium of internal exchange might have disastrous consequences. England, I imagine, is not likely again to waste any proportion of her resources on an actual gold circulation. The question whether India will want to do so need not at present arise, because progress towards a gold currency would necessarily be made by way of the establishment of a gold standard, and on that first step we are all agreed, and it is for that we are working. But the gold standard of the future may perhaps be a little different from the system with which we were familiar in Europe before the war. This brings me to my third authority in favour of the gold exchange standard system. If the resolutions of the Currency Committee of the Genoa Conference are carefully studied, as they deserve to be, it almost seems as if Europe intended to work

her way towards something very like the system which we have had established in India for many years past. There you will find references to "gold centres" in which, for convenience and economy, the world's reserves of international currency would be concentrated. If other countries maintained reserves of gold at all it would be not because they required them for their own purposes, but because, being unable or unwilling themselves to take a leading part in the maintenance of an international gold standard, they were expected as a condition of membership of a world currency system either to make a direct money contribution to the cost of a central gold reserve or to suffer, for their own and the general advantage, the inconvenience and expense of having a portion of their resources locked up in an unproductive form.

In such a system it seems that India might well find her appropriate place, for in matters of currency policy there can be no irreconcilable conflict of interests between nations. The advantage of the whole must also be the advantage of every part. I cannot admit, for example, that the questions which we have been discussing to-day can be viewed either from an Indian or from an English standpoint. It is my business as Finance Member to put the interests of India first, and I unhesitatingly do so. But in this matter the idea that there is a conflict of interests is moonshine. There is plenty of room for difference of opinion, but there cannot be any difference of motive. Whether we are exporters or importers or merely in the Finance Department of the Government of India, we can afford to approach the subject from the same angle, with the same ends in view, and we cannot afford to do anything else.

It may be useful at this point to say a word or two about the sale of £2,000,000 of the gold in India which is now taking place. I have shown above that our reserves are at present very strong. Now the purpose of keeping a reserve is that it may be used when required. A reserve is for use and not for ornament. I have shown also that the necessary preliminary to the introduction of a gold currency, if that is really desired, is the attainment of a gold standard. Whether it is sterling or rupees which we are considering, the one or the other

must have reached a fixed gold value and become stabilised at that fixed gold value, before the question of introducing gold into circulation can rise. Our aim is to reach a gold standard for the rupee, just as England's aim is to restore the old parity of sterling with gold. One of the most effective ways of doing this is to use our gold reserve judiciously—and I may add profitably—to supplement our other resources. By selling gold in India against payment in sterling we are securing more than one desirable purpose: first, but perhaps least important, we convert a non-interest-bearing asset into an interest-bearing asset. Second, we increase our sterling assets both by the sale price of the gold and by the interest earned on the securities in which it is invested, and so reduce the amount to be remitted to England and *pro tanto* postpone or avoid the necessity for sterling borrowing. Thirdly, we do something to hasten the moment when we can fix the gold value of the rupee, because we improve the value of the rupee in terms of gold; and fourthly, we secure the Indian taxpayer the present premium on gold, with every expectation—one might almost say with the certainty—that at a later date we shall be able, if need be, to replace the gold at a cheaper price. The whole process is calculated to improve our financial position and to attain the object we all have in view, an earlier return to the gold standard. Yet, the operation has been criticised—even violently criticised—in some quarters, partly because it has not been understood, but partly also, I think, for political purposes.

There is no need to introduce political considerations or to suspect one another's capacity or good intentions. I would appeal to my critics and to Indian opinion generally, and especially to business men, to believe that whatever action is taken or not taken we are doing what we can to establish in India the currency system that will best serve the interest of every section of the community. I do not claim to be exempted from criticism; on the contrary, if it is reasonable and intended to be helpful, I welcome criticism and shall be ready at all times to make myself answerable at the bar of intelligent opinion. But I do think that the Government

may fairly expect to be exempt from malicious insinuations, and I will go further than that. I would ask you to consider whether the time has not come when some of the incidents of the past might be forgotten, or remembered only for the sake of learning useful lessons from past failure. No purpose can be served at this date by introducing into the discussion of currency questions those interesting historical allusions to the sale of reverse Councils with which we are all quite familiar. As I said at the beginning, it is only by close co-operation between the Government and the commercial and business community that a right judgment can be reached and right action taken in matters affecting the commercial and business life of the country. In questions so technical and at the same time so vital to every member of the community as currency and exchange, politics and political motives should not intrude. This is not to say that finance and financial policy can be or should be divorced altogether from the political sphere ; on the contrary I believe that on sound financial principles and administration depends more almost than on anything else the happy emergence of India as a self-governing Dominion of the British Commonwealth of Nations. For this reason, the problems we are discussing deserve the close attention and study of all who are working for India's political future. But they must be studied scientifically and single-mindedly as subjects of a highly technical and complex nature, not simply as a happy hunting ground in which to find weapons for attacking the Government. If political motives intrude into the discussion of currency and exchange problems, they serve only to darken counsel at a time when the one great need of all of us in this matter may be expressed in the words of Goethe on his death-bed : " More light ! more light ! " (*Prolonged Applause*).

BALANCE SHEET.—31st October 1923.

LIABILITIES.		ASSETS.			
		Rs. thousands	Cash—		Rs. thousands.
Capital and Reserves .. ..	..	....	Gold (<i>i.e.</i> , gold in the Paper Currency Reserve)	..	36,47.83
Public Deposits—			Balances abroad (<i>i.e.</i> , Gold Standard Reserve* plus the Secretary of State's balances) ..	..	60,12.01
As now	..	8,43.59	Cash in hand—		38,92.50
Add—Secretary of State's balances* ..	..	58,92.50	<i>I.e.</i> , Cash as now	..	36,34.47
Special reserve* (<i>i.e.</i> , Gold Standard reserve)	..	60,12.01	<i>Less</i> —notes (say)	..	30,00.00
			<i>Plus</i> —silver in the P.C.R. ..	..	99,01.80
			Government securities—		1,05,36.27
Other Deposits .. ..	..	....	As now	..	11,18.56
Currency Notes—			<i>Plus</i> —securities in the P.C.R. ..	..	57,48.50
Gross circulation	..	1,80,92.19	Other Assets	..	68,67.06
<i>Less</i> —notes held by the Imperial Bank, say		50,00.00			44,11.59
					3,53,67.26

* At Rs. 15=£1.

Proportion of total cash (2,40,88.61) to—

(1) total internal circulation (1,50,82.16) 160 per cent.

(2) total liabilities (3,53,67.26) 68 per cent.

If the Rupee were taken at 2s. or at 1s. 5d. the proportions would be—

At 2s.

(1) 129 per cent.

(2) 61

At 1s. 5d.

(1) 154 per cent.

Note.—Some of the figures are approximate only, but this does not materially affect the general result.

THE HON'BLE SIR ARTHUR FROOM (Bombay) :—Mr. President, I understand that as the mover of the resolution before the meeting, I have the right of reply. I propose however only to exercise this right to thank the Honourable the Finance Member of the Government of India for the most able and interesting speech which he has just delivered. (Hear, hear.) He has explained his view of the exchange position in the clearest manner possible and I am sure that I am expressing the feeling of this meeting in thanking the Honourable the Finance Member for giving us the benefit of his careful study of this most intricate question of exchange. (*Applause.*)

THE PRESIDENT :—The resolution, therefore, as amended is :—

"This Association desires to reiterate the opinion expressed at the last Annual General Meeting of this Association that :—

"With reference to any proposals to restore the ratio of Rs. 15 to the sovereign, this Association is of the opinion that no alteration of the nominal ratio should be considered until world conditions become more stable and until the internal finances of the country have been restored to a sound basis."

"Thereafter the question of reverting to a ratio of Rs. 15 to the sovereign or any other ratio should be examined by Government in consultation with the various Chambers of Commerce in India before forming the subject of enquiry by a special commission, as such commissions have an unsettling effect on trade and are liable to destroy confidence."

The resolution was put to the meeting and, on a show of hands being taken, was declared carried unanimously.

APPENDIX E-1.

DELAYS IN THE OFFICE OF THE PROTHONOTARY, BOMBAY HIGH COURT.

Dated the 13th June 1923.

From the 'Bombay Incorporated Law Society to the Chamber.

I am desired by my Committee to write to you under the following circumstances :—

At a Special Meeting of the Incorporated Law Society held on the 17th January 1922, it was resolved that a Petition

be presented by the Society to the High Court pointing out the delay in the offices of the Prothonotary and requesting that early steps may be taken to increase the staff to cope with the increased work.

Accordingly a Memorial was submitted by the Society to the Honourable the Chief Justice and other Judges of the High Court on the 15th February 1922. A reply was received to this Memorial to the effect that the Chief Justice was entirely in accord with the views expressed by the Society and that he had also written to the Government and His Lordship suggested that the Society should also address Government in the matter.

The Society accordingly addressed a Memorial to Government on the 31st March 1922. A copy of the Memorial is sent herewith for your information. Beyond a bare acknowledgment no reply has been received from Government.

My Committee is of the opinion that the matter dealt with in the Society's representation is of vital importance to the Commercial public of Bombay and that it is very desirable that Commercial bodies should also address Government on the subject. It is within the experience of many of our members that the delays incurred in litigation entail failure to obtain justice from the High Court and deter members of the Commercial Community from even seeking to obtain the legal remedies to which they are entitled.

I am therefore asked by my Committee to request you to submit a strong representation to Government on the subject or take such steps as your Committee may think proper to obtain a redress of the present undesirable position and inform me of the result in due course.

Dated the 31st March 1922.

From the Bombay Incorporated Law Society, to His Excellency the Governor in Council, Bombay.

The Humble Petition of the Bombay Incorporated Law Society.

Respectfully Sheweth :—

That owing to a series of complaints which were received by the Committee of the Incorporated Law Society, a Special Meeting of the

Society was convened on Tuesday, the 17th January 1922 at which after some discussion the following resolution was passed unanimously :—

“That a Petition be presented by the Society to the Honourable the Chief Justice and other Judges of the High Court pointing out the delay in the Offices of the Prothonotary and the Chief Translator in issuing writs of summons, Decrees, Orders and other process and Official translations respectively and requesting that early steps may be taken to increase the staff in the said Offices to cope with the increased work.”

A Memorial setting out the following representations was accordingly prepared and addressed to the Chief Justice of Bombay, dated the 15th February 1922 but His Lordship by the Prothonotary's letter No. 86 of the 17th February (sent herewith in original) has requested the Society to address Government direct on the subject. The Committee of the Society therefore submit the following representation, considering that there is not the slightest doubt that the cause of the trouble is the paucity of the staff in the High Court Offices.

2. It will not be disputed that the High Court is at the service of the public. It is an institution for the purpose of dealing out justice between contending parties and as the public pay for the justice and the legal profession are their agents for securing it the public and the profession are entitled to have the office administration as expeditious as efficiency will allow. In order to effect this it is necessary that not only the staff of Judges but also the staff in the general offices of the High Court should be commensurated with the work to be carried out. During the last four years there has been an abnormal increase in the amount of litigation in the High Court much of this litigation has no doubt been the effect of causes created by the War and the aftermath of War but there is no sign at present of any diminution in litigation.

3. The Members of this Society consider that there are likely to be nearly as many cases filed during the present year as there were during 1921. Up to the year 1918 the number of cases filed in the High Court may be said to have averaged 1600 per annum. In 1919 and 1920 the two years following the War the number of cases rose to 3,700 in each year and in 1921 this rose to 5,434. In other words since 1918, the number of cases filed has increased threefold. In order to cope with this there are now five Judges sitting on the Original Side instead of three as formerly, but in spite of this the undisposed of cases at the end of 1921 amounted to 4,257 showing no proportionate decrease. In the Offices, however, of the High Court there has been no such increase of staff. On enquiry at the Prothonotary's Office the Society learn that upto last year there was no increase whatever in the number of the staff, but on the earnest representation of the Prothonotary eight clerks only were taken on temporarily and these clerks are now being confirmed in the posts. The staff of the Prothonotary numbered 43 to which can now be added the 8 new appointments. With the increase

in the number of Courts sitting this Society submits that a corresponding increase in the clerical staff of the Court is essential and that this should be increased to 65 in order to cope with the work. Litigation has increased threefold and this Society submits that it must be impossible for the staff however efficiently they do their work to cope with the volume of work which now falls upon them. The complaints received to a large extent deal with the serious delay in execution of decrees and matters subsequent to the decision of cases. As the number of suits filed last year gradually come up for hearing and are disposed of, the delay in the realisation of decrees must become worse unless some step is immediately taken. This Society submit that the Public and the Legal Profession are entitled to protest against the great inconvenience under which they are suffering.

4. The members of this Society being directly in contact with the public note that owing to the great delay in litigation, many clients prefer to settle their just claims on any terms which do not entail too much loss rather than take proceedings against their debtors which may involve them in litigation lasting for months and sometimes years during which time it is impossible to say what may happen to their debtors.

5. The amount received in Court Fees during the last five years has increased threefold. Whereas the Fees on the Original Side amounted to about 2 lakhs in 1917, the Fees in 1921 amounted to 6 lakhs. This is apart from the miscellaneous matters and receipts in the Testamentary Registrar's department. This money is being received by Government and with justice this Society submit that it is not fair that Government should take advantage of this large increase in the Court Fees without giving a corresponding increase in the staff of the High Court necessary to deal with the litigation which is the source from which this increase in fees arises.

6. Owing to the paucity of the staff there is at the commencement of litigation a delay in obtaining the issue of summons extending over weeks which may entail great difficulty upon a Plaintiff being able to serve the defendant. Having obtained the summons from the High Court there is the difficulty in getting it served by the Sheriff's office.

7. A delay of which the members of this Society bitterly complains is in the obtaining of decrees and orders and in the prosecution of execution proceedings, transmission of decrees entering of satisfaction or part satisfaction in decrees, etc., take for example, *Decrees*. This Society is given particulars of many cases where it has taken 2 or 3 months to obtain the Decree from the Prothonotary's Office. *Sealing Department*:—Sealed documents cannot be obtained until two days after date on which they are sealed, consequently they bear a date earlier than the date of their receipt in the Solicitors' Offices. *Execution Department*:—Warrants of execution and warrants of arrest and other docu-

ments are delayed inordinately when a client is anxious to obtain the fruits of his decree. It is very exasperating to a client not to be able to execute the decree owing to delay in the High Court and this not unfrequently results in judgment-debtors being able to take advantage of this delay in running away from Bombay or making arrangements as to further impede their successful Creditor in obtaining his redress for which he has invoked the machinery of the Law.

8. Again referring to the question of the writ of summons in Short Causes matters, it not unfrequently happens that summons have not been received in time for service so as to give the defendants the ten days' clear notice of the suit to which they are entitled under the rules. The consequences that the returnable date of the summons has got to be amended. Owing to the abnormal delay in getting this amendment passed through the Offices it happens that the order for amendment is not ready for several days and the summons again becomes out of time and the whole proceedings has to be done through over again. All this is done at the expense of the client who becomes very annoyed not so much at the expense involved as at the failure to bring on his suit against the defendant. The client deals with the Solicitor only and naturally holds him responsible not understanding where the difficulty lies.

9. Now on the other hand it is evident that Debtors are aware of the delays in the High Court and are taking advantage thereof in order to gain time and delay their creditors. The result is that the High Court may be said to be used to that extent as a means of defeating justice rather than of obtaining justice.

10. Again there is great delay for which many complaints are received from clients in the Miscellaneous Proceedings such as Grant of Probates and Letters of Administration, the issue of Commissions, Petitions under the Companies Act, etc.

11. Probably however the greatest and most serious delay is that which takes place in the Translators' Office of the High Court. To obtain the translation of two or three words which the High Court require shall be translated by the Translators' office takes 3 or 4 days. To obtain translation of longer documents is a matter of corresponding difficulty. If the records of the Translators' office are examined, it will be found that in most cases double fees have to be paid in order to obtain the translation in time to use it in Court. No doubt one of the reasons for delay in the Translators' Office is the enormous increase in Criminal cases which require the services of the Translators' Office thereby curtailing time for Civil work. As the public however are prepared to pay for their work in the Translators' Office it is submitted that it is right that this inconvenience to the public should be brought to the notice of the Government and an increase in the staff of the Translators' Office should be promptly made.

12. It is the opinion of this Society that litigation shows no sign of decreasing. In fact some indications are in the opposite direction. Trade has been very bad which has led to disputes which will probably result in litigation. One firm who is member of this Society informs the Society that whereas the average number of bills of exchange noted by them in six months was between 20 and 30 for the last year. The corresponding number was 400. These are all debts which the debtors for one reason or other are refusing to meet. Of course all of these will not result in litigation, but many of them in all probability will end in an appeal to the High Court.

13. This Society hears with dismay that Government desire there should be retrenchment in the staff of the High Court. Information that an enquiry to this effect was made was only received by the Society after the above-mentioned General meeting had been called and the resolution passed. The Society strongly urge that not only is it impossible to cut down the staff of the High Court, but it is urgently necessary to increase the staff.

14. It is desired to emphasise that the Society have no complaint whatever to make against the Prothonotary of the High Court and his present staff. The Society consider that they do what it is possible for them to do in coping with the enormous increase of work but it is impossible to expect them to continue working at the exceptionally high pressure required in order to cope with the increase in litigation and the work is bound to fall into arrear as it has done.

15. This Society consider that a second Assistant Prothonotary should be appointed to whom the Prothonotary might delegate part of his duties and the appointment of another Deputy Registrar is required and as to the office staff including that of the Translators' Office and the Sheriff's office it would appear that an increase by 9 or 10 clerks is required in order to cope with the present volume of work. The Society considers that the suggested increase in the staff of the Prothonotary's office is essential and more than justified whether considered from the point of view of the increase in the number of cases, the increase in the number of Courts Sitting or the increase, in Court Fees received or upon these bases taken together.

16. While the Society do not consider that it is within the Society's province to formulate how the High Court offices should be reorganised in order to provide the increased office accommodation which is necessary for the Prothonotary's Department yet since representations such as these should be made upon a constructive rather than upon a purely critical basis, it is suggested that a practical course would be to allocate to the Prothonotary's department the large premises at present occupied by the Advocate-General and accommodate him in some other chambers, *e.g.*, those of the Administrator-General whose duties do not necessarily confine him within the precincts of the High Court.

Similarly or alternatively the Office of the Sub-Registrar of Assurances might be moved away from the High Court and used for the requirements of the High Court.

17. The Society therefore earnestly trusts that the representation may be taken into serious consideration and that Government may realise the urgency and importance of the matter with a view to speedily arranging for the necessary provisions to satisfy the requirements of the case.

And Your Petitioners as in duty bound will ever pray.

No. 1473/210 of the 19th June 1923.

From the Chamber, to Messrs. Little & Co., Bombay.

I am directed to inform you that the Bombay Incorporated Law Society have requested my Committee to support a memorial on the subject of the delays in the offices of the Prothonotary that they have submitted to the Government of Bombay. A copy of their letter and the memorial is enclosed herewith.

My Committee propose to support the memorial, but before doing so I am to say that they would be very glad if you would inform them, so far as conveniently lies in your power, whether you can confirm the facts set out in the memorial.

Similar letters to Messrs. Craigie, Blunt and Caroe and Messrs. Crawford, Bayley & Co.

No. 13450/23 of the 20th June 1923.

From Messrs. Little & Co., Solicitors, Bombay., to the Chamber.

We are in receipt of your letter of yesterday's date with the copy memorial therein enclosed and we have to inform you that in our opinion the memorial does not exaggerate

the delays in the office of the Prothonotary and Testamentary Registrar and that our only comment on the memorial is that it could have been couched in stronger terms, at any rate in respect of some of the subject matter thereof.

We do not know whether your Chamber proposes to add anything to the memorial, but if it were to do so we think attention should be directed to the delays in filing suits and issuing execution during the vacation.

There being only one Prothonotary, the admission of plaints and the issue of formal orders in execution are delayed by his absence from Bombay during vacation, there being nobody authorised to act for him in his absence, with the result that the papers have either to be sent to him up-country or to wait for his return to Bombay.

Dated the 22nd June 1923.

**From Messrs. Craigie, Blunt and Caroe, Bombay,
to the Chamber.**

We beg to acknowledge the receipt of your letter No. 1473/210 of the 19th instant and the copy of the Memorial submitted to the Chamber by the Bombay Incorporated Law Society sent therewith.

We understand that you desire to know whether we can confirm the facts set out in the Memorial.

We are not in a position to confirm such particular facts as the number of clerks employed in the Prothonotary's office, the number of suits filed, and the amount of Court fees received by Government during the last five years, but speaking generally we may say that the facts stated in the Memorial are correct.

The delays in the Prothonotary's office at the present moment are little short of scandalous. The delays are entirely due to the fact that the office of the Prothonotary is so hopelessly under-staffed as to be unable to cope with the amount of work which now passes through it. This is particularly the case in connection with the obtaining of decrees and orders, and in the prosecution of execution

proceedings. It frequently takes from one to two months to get a decree drawn up and sealed, whereas the time occupied should not exceed a week.

The delays referred to in paragraph 8 of the Memorial in obtaining the issue of a writ of summons in a Short Cause suit are equally scandalous. The facts stated in that paragraph are absolutely correct, and it has been our misfortune on more than one occasion to be blamed by clients for the expense incurred in issuing and reissuing summonses which are unable to be served in time owing to the delay in issuing them from the Prothonotary's office.

There is also considerable delay on the Testamentary side, which is a department of the Prothonotary's office. About 10 years ago a grant of Probate or Letters of Administration could be obtained within 10 days, or a fortnight, but latterly on more than one occasion it has taken as long as three months to obtain a grant, with the result that complaints as to the delay have been received from Solicitors in London instructing us to apply for the grant, the usual period occupied in obtaining a grant in London being about a week or 10 days.

We are of opinion that the Memorial is one to which the Chamber may well lend its weighty support, as the mercantile community is clearly interested to see that litigation in which it is concerned is carried through with the least possible delay.

No 1563-210 of the 28th June 1923.

**From the Chamber, to the Government of Bombay,
(Home Department).**

Delays in the administration of justice in Bombay.

I have the honour to inform you that my Committee have received a copy of a Memorial presented on the 31st March 1922 to the Government of Bombay, by the Bombay Incor-

porated Law Society on the subject noted above. My Committee understand that the Government of Bombay have not as yet taken any action designed to ameliorate the delays in the administration of justice mentioned in the Memorial although my Committee are advised that the delays have not decreased, but in fact increased, since the Memorial was presented.

2. I am to say that after giving the matter their most careful consideration and having made enquiries from the legal members of this Chamber, and at the same time bearing in mind the need of economy, my Committee are unanimously of the opinion that the state of affairs disclosed in the Memorial is such as to call for the most earnest and immediate consideration on the part of the Government of Bombay.

3. I am particularly to draw your attention to paragraph 9 of the Memorial which reads :—

“ Now on the other hand it is evident that Debtors are aware of the delays in the High Court and are taking advantage thereof in order to gain time and delay their creditors. The result is that the High Court may be said to be used to that extent as a means of defeating justice rather than of obtaining justice. ”

The above is, in my Committee's opinion, no exaggeration of the case and in view of the fact that it is of such vital importance to the commercial communities of this Presidency that litigation in which they may be concerned should be carried through with the least possible delay, I am to state that the Memorial has my Committee's whole-hearted support.

4. My Committee consider that the main facts relative to the delays are set out in sufficient detail in the Memorial and I am to refer to but one point which is not mentioned, namely, the exceptionally grave delays that take place in filing suits and issuing executions during the vacation ; there being only one Prothonotary, the admission of plaints and the issue of formal orders in execution are delayed by his absence from Bombay during the vacation, nobody being authorised to act for him in his absence, with the result that

papers have either to be sent to him up-country or to wait for his return at the end of the vacation.

5. Finally, I am to request that immediate attention may be given by the Government of Bombay to this subject which my Committee regard as being vitally important.

No. 1564-210 of the 29th June 1923.

From the Chamber, to the Bombay Incorporated Law Society.

I am directed to acknowledge the receipt of your letter, dated the 13th June 1923, and the accompanying copy of a Memorial that your Society presented on the 31st March 1922 to the Government of Bombay on the subject of the delays in the administration of justice in Bombay.

In reply I am to hand you for the information of your Society a copy of a letter that my Committee have caused me to address to the Government of Bombay in which the Memorial presented by your Society is strongly supported.

No. 1565-210 of the 29th June 1923.

From the Chamber, to Messrs. Little & Co., Solicitors, Bombay.

Delays in the Prothonotary's Office of the High Court.

I am directed to thank you for your letter, dated the 20th instant, on the above subject and to say that my Committee greatly appreciate the information you gave them and for your information I am to enclose a copy of a letter that my Committee have caused me to address to the Government of Bombay strongly supporting the Memorial of the Bombay Incorporated Law Society.

Similar letter No. 1566-210 to Messrs. Craigie, Blunt and Caroe, Bombay.

No. 6156 of the 2nd July 1923.

From Messrs. Crawford, Bayley & Co., Bombay, to the Chamber.

In reply to your letter No. 1473-210, dated the 19th ultimo, we confirm without exception the facts set out in the Memorial of the Bombay Incorporated Law Society. The proper administration of justice can only be secured if the issue of legal processes is prompt and efficient, and we cannot emphasise too strongly the present deficiencies of the Bombay High Court in this respect.

No. 1603-210 of the 4th July 1923.

From the Chamber, to Messrs. Crawford, Bayley & Co., Bombay.

I am directed to thank you for your letter No. 6156, dated the 2nd July 1923, in which you confirm the statements contained in the Memorial of the Bombay Incorporated Law Society, and I am to inform you that my Committee have decided strongly to support the Memorial.

No. 1764-C. of the 10th July 1923.

From the Government of Bombay (Home Department), to the Chamber.

Delays in the administration of justice in Bombay.

With reference to your letter No. 1563-210, dated the 28th June 1923, on the subject noted above, I am directed to state that the High Court Bench has recently been strengthened by the creation of an additional judgeship. In addition a Bill to extend the jurisdiction of the Small Cause Courts, Bombay, has been drafted which is expected to relieve considerably the pressure of work in the High Court.

No. 1661-210 of the 12th July 1923.

**From the Chamber, to Messrs. Crawford, Bayley & Co.,
Bombay.**

In continuation of the correspondence resting with my letter No. 1603-210, dated the 4th July 1923, I am now to enclose a copy of the reply from the Government of Bombay to my Committee's letter supporting the Memorial of the Bombay Incorporated Law Society.

The reply does not appear to cover the matters that were complained of, but before my Committee proceed any further in this matter, they would be glad to have your opinion as to what further action, if any, should be taken.

Similar letters to Messrs. Little & Co. and Messrs. Craigie, Blunt and Caroe.

No. 1569-23 of the 13th July 1923.

From Messrs. Little & Co., Bombay, to the Chamber.

We are in receipt of your letter No. 1661-210 of yesterday's date and we agree that the reply from the Government does not cover the matters complained of in the Memorial of the Law Society or in your own letter in support of the same.

The appointment of an additional judge should no doubt somewhat decrease the period between the date of the filing of the suit and the date of its hearing, but it will not effect in the least the delays in the Prothonotary's office but may rather tend to increase the same, so far as the drawing up of decrees and the execution of the same is concerned, for the reason that a larger number of decrees will be passed daily or weekly than before the appointment of the additional judge. We have also to point out that a Government does not deal with the delays occasioned in the vacation owing to there being no person to carry out the duties of the Prothonotary in his absence. The bulk of the Prothonotary's duties in this connection are purely ministerial, not to say automatic, and it

appears to us that either the Assistant Prothonotary³ or one of the Assistant Registrars could properly be authorised to perform the formal functions of the Prothonotary during his absence.

We have not seen the Bill to extend the jurisdiction of the Small Causes Court, and we are therefore unable to express a definite opinion as to the extent by which it will relieve the pressure of work in the High Court. We are inclined to think that unless the machinery and practice of the Small Causes Court is also very considerably altered, it will be found that litigants will not willingly avail themselves of the proposed extended jurisdiction, of the Small Causes Court.

Dated the 20th July 1923.

From Messrs. Craigie, Blunt & Caroe, to the Chamber.

We beg to acknowledge the receipt of your letter of the 12th instant, and the copy letter from the Secretary to the Government of Bombay, Home Department, of the 10th instant which accompanied it.

It is true that an additional judgeship was created some months back, but we doubt whether such creation has had any appreciable effect on the expedition of the trial of suits. As pointed out in the Memorial of the Bombay Incorporated Law Society, it is the staff of the Prothonotary's office which requires to be strengthened, and the letter from the Secretary to Government does not deal with this point.

With regard to the second paragraph of the letter from the Secretary to Government, it is, we believe, proposed to establish a Civil Court with a jurisdiction upto Rs. 5,000 in which Solicitors and pleaders will be allowed to plead. As a very large number of suits now filed are to recover sums of less than Rs. 5,000, it is considered probable that this proposed new Court will relieve the congestion in the High Court to a considerable extent, but so far as we are aware the matter has not advanced beyond a proposal, and it is quite possible that the suggestion may not materialise for at least 12 months, or possibly longer.

The présent urgent need of the High Court is the strengthening of the Prothonotary's staff to ensure that the incidental proceedings from the filing of the suit to trial thereof may be put through accurately and expeditiously, and that the decree when passed may be drawn up and sealed within a week at the least, instead of six weeks or two months, as at present.

We think that the Chamber might reply to Government's letter, pointing out that it does not deal with the most urgent need at the moment, namely, the strengthening of the staff of the Prothonotary's office.

No. 8484 of the 1st August 1923.

From Messrs. Crawford, Bayley & Co., Bombay, to the Chamber.

Delays in the Prothonotary's Office of the High Court.

We beg to reply to your letter of the 12th ultimo enclosing a copy of the communication, dated 10th July 1923, received from the Secretary to Government on the above subject.

We agree that the reply does not cover the matters complained of. The additional judgeship will of course go some way towards decreasing the arrears of cases waiting for hearing. The greatest need for additional staff is in the Prothonotary's office in respect of which nothing is proposed.

With regard to the proposal to extend the jurisdiction of the Small Causes Court, this might perhaps indirectly relieve the Prothonotary's office of some of its work by transferring legal business from the High Court to the Small Causes Court.

The Small Causes Court is however suffering from congestion of business in the same way as the High Court. It will, therefore, be of no use to extend the jurisdiction of the Small Causes Court unless the judges and staff of that Court are correspondingly increased.

We think that the question of further action should only be determined after reference to the Law Society as the originators of the Memorial. We suggest that you should communicate to that body the reply you have received from Government, and ask whether they intend to move further in the matter.

Dated the 2nd August 1923.

From the Bombay Incorporated Law Society, to the Chamber.

You are aware that a Bill has been drafted to extend the jurisdiction of the Small Causes Court, Bombay, and that it is shortly to be introduced.

My Committee has requested Government to furnish it with a copy of the Bill and to give it an opportunity to submit the Society's views on it before it is introduced.

My Committee, however, is of opinion that a joint representation by the Society, the Bar of Bombay High Court and the several Chambers of Commerce should be submitted to Government in reference to the proposed measure before the Bill is introduced. It is apprehended that any representation that may be made after the Bill has been introduced will not receive the same consideration.

Under the circumstances I am directed to inquire whether your Committee would be willing to depute its representative at a meeting proposed to be held of representatives appointed by my Society, the Bar of the High Court and the several Chambers of Commerce to consider whether it is possible to arrange a joint representation to be made to Government on the subject before the Bill is introduced.

No. 1823-210 of the 9th August 1923.

From the Chamber, to the Bombay Incorporated Law Society, Bombay.

I am in receipt of your letter, dated the 2nd August 1923, in which you request this Chamber to join a representation

to the Government of Bombay, urging that the Bill to extend the jurisdiction of the Small Causes Court be submitted for criticism before introduction in the local Council.

In reply I am to say that my Committee are in sympathy with your contention that the Bill should be submitted for the comments of your Society, but as a criticism of the Bill would be a rather technical legal matter, it hardly falls within the province of this Chamber, and my Committee, therefore, do not see their way to join the representation you mention.

The Bill cannot be introduced before the December session of the Council at the earliest, and I am to suggest that if your Society and the Bar of the High Court press the Government to submit the Bill for your criticism the desired result will doubtless be achieved.

No. 1830-210 of the 9th August 1923.

From the Chamber, to the Secretary to the Government of Bombay (Home Department).

Delays in the administration of justice in Bombay.

I am directed to acknowledge the receipt of your letter No. 1764-C, dated the 10th July 1923, in which you reply to my letter No. 1563-210, dated the 28th June 1923, on the subject noted above, and in which you state that the High Court Bench has recently been strengthened by the creation of an additional judgeship and that there has been drafted a Bill to extend the jurisdiction of the Small Causes Court which is expected to relieve considerably the pressure of work in the High Court.

2. In reply I am to say that only a small proportion of the delays complained of in my previous letter are due to a shortage of judges. As stated in the Memorial of the Incorporated Law Society, the delays are mainly due to the paucity of the staff in the Prothonotary's offices, and I am to draw your attention to the delays which are specifically referred to in the Memorial of the Incorporated Law Society in Sections 6, 7, 8, 10 and 11 thereof. The creation of an additional judgeship

will not serve to minimise these delays in the Prothonotary's office, but will tend to increase them. The Bill to extend the jurisdiction of the Small Causes Court will undoubtedly, when it comes into force, relieve the congestion of work in the High Court to a certain extent, but my Committee are advised that it will only be to a small extent and that there will still be serious delays. In any case the Small Causes Court is suffering from a congestion of business owing to a shortness of clerical staff and, therefore, sooner or later the staffs connected with these Courts will have to be increased. In my Committee's opinion this increase should take place now.

3. It is not stated in your letter when the Bill to extend the jurisdiction of the Small Causes Court is likely to come into force, my Committee, however, understand that it may be a year or even longer before it will take effect and apparently, therefore, the Government of Bombay view with equanimity the prospect of the present delays continuing for a year or more; for in your letter you do not mention that any measures are to be taken to remove the delays in the immediate future.

4. In this connection I am to draw your attention to the following extract from a speech delivered by His Excellency the Viceroy when he opened the Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon held in Calcutta on the 8th January 1923 :—

“There is one subject to which I would very briefly draw your attention, and would invite if you find it possible, some expression of opinion from your Association. It is an elementary truth that justice long delayed is often justice denied, and I have been impressed by the long delays not only in arriving at a decision of the Court, but also, and sometimes more seriously, in the enforcement of its decrees. I am considering with the assistance of those best able to advise me the steps that should be taken for the purpose of expediting and facilitating the recovery of debts and the enforcement of rights in our courts of law.

“I trust that it will not be thought that I am reflecting in any way upon the administration of justice in India. Nothing is further from my thoughts. I am considering the system and its effect not only upon the commercial community, but upon the public generally. It may not be and is, I understand, not a matter of complaint in Calcutta, but I am speaking of all India and to

delegates from all parts of India, and I should therefore especially value your opinions. I have been particularly impressed with the difficulties experienced in the country, in enforcing the judgments obtained from the courts—difficulties which are surprising, and indeed I think I should be justified in using stronger language. I understand the special difficulties that occur in this country by reason of complications arising from laws and customs of particular communities and make every allowance for them. Nevertheless, I cannot but think that justice demands imperatively that a remedy should be found for a condition of things which, according to the reports before me, produces great hardship and sometimes serious injustice.”

From this speech you will observe that the dilatory procedure of the Courts is well known to the Government of India and that His Excellency the Viceroy strongly desires the administration of justice to be improved as early as possible.

5. In stating that the main cause of the delays in Bombay is the inadequate staff in the Prothonotary's offices and in requesting that an immediate increase be made in that staff, my Committee are supported not only by the Law Society but also by three of the leading firms of Solicitors in Bombay, there can be little doubt therefore that the remedy they suggest is the proper one and that consequently His Excellency the Viceroy's wishes would be carried out by its adoption.

6. There is an aspect of this matter which was not brought out in my previous letter and to which I am now briefly to draw your attention. The delays are having a harmful effect on India's trade with foreign countries. For this reason: When any merchant realises that in a certain country he will be unable to enforce his rights in the event of one of his clients defaulting he naturally hesitates to trade with that country. That India is acquiring this reputation is clearly illustrated in the attached cutting from the “Times of India,” (12th July 1923).

7. My Committee understand that the Government of Bombay have demurred to increase the Prothonotary's staff on grounds of economy, but from the foregoing remarks Government will realise, my Committee trust, that the saving so effected in salaries is justified from neither a moral

nor a commercial standpoint. My Committee desire me to point out that according to the figures quoted in the Memorial above referred to, the income from Court fees has increased very largely in the past few years and Government can therefore well afford to increase the staff in the Prothonotary's office. It seems clear to my Committee that an increase in staff will result in a more rapid collection of Court fees and that an increased staff will very rapidly pay for itself.

8. In conclusion I am to say that my Committee earnestly hope that the Government of Bombay will hesitate no longer before taking practical and immediate steps to improve the state of affairs in this regard, which, I am to point out, is connected with one of the primary functions of a Government, namely, to administer justice with the least possible delay to its subjects.

No. 1831-210 of the 9th August 1923.

**From the Chamber, to the Incorporated Law Society,
Bombay.**

Delays in the administration of justice in Bombay.

In continuation of my letter No. 1564-210, dated 28th June 1923, I am now directed to hand you for the information of your Society the accompanying copy of further correspondence with the Government of Bombay on the subject noted above.

No. 1764-B of the 22nd August 1923.

**From the Government of Bombay (Home Department)
to the Chamber.**

*Delays in the administration of justice in the High
Court of Bombay.*

With reference to the correspondence ending with your letter No. 1830-210, dated the 9th August 1923, on the subject

noted above, I am directed to state that Government are fully alive to the importance of the matters set out in your representation. They have already extended the accommodation in the High Court and have under consideration, in consultation with the Honourable the Chief Justice and Judges of the High Court, steps for the improvement in the methods of work and for the general reorganisation of the staff of the High Court. The modification of the powers of the Small Causes Court, Bombay, will necessarily be followed by a reorganisation and such augmentation of the staff as may prove necessary for the increased jurisdiction of the Small Causes Court. Government are making at present every endeavour to press forward these matters and prepare a scheme to be laid during the approaching fair weather season before the Legislative Council.

No. 1962-210 of the 31st August 1923.

**From the Chamber, to the Incorporated Law Society,
Bombay.**

In continuation of my letter No. 1831-210, dated the 9th of August 1923, I am directed to hand you herewith for the information of your Society the accompanying copy of a letter No. 1764-B., dated the 22nd of August 1923, from the Government of Bombay.

No. 1961-210 of the 31st August 1923.

From the Chamber, to the Karachi Chamber.

His Excellency the Viceroy, at the last Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon stated that the question of expediting and facilitating the administration of justice in the Courts of India was a serious and an urgent one and that it would receive the immediate attention of the Government of India.

The position in Bombay, however, has not improved. Suits in connection with the recovery of debts or the enforcement of rights in the Bombay High Court are at present delayed, owing to the congested condition of the High Court and the

Prothonotary's Office, to such an extent that the Commercial Community are being gravely inconvenienced. My Committee have represented this matter to the Government of Bombay, but it does not appear that any substantial improvement is likely to be effected, at least not for a long time to come.

My Committee have therefore considered whether they should draft a resolution to be proposed at the forthcoming Annual Meeting of the Associated Chambers, urging the local Governments to take steps to remedy the delays; but before proposing such a resolution my Committee would like to know whether the question is still an all-India one or whether the position in this connection has improved in other Presidencies.

I am, therefore, to request you to let me know whether there are serious delays in the Karachi Courts and whether your Chamber would be prepared to support the resolution referred to above.

Similar letters to the Bengal Chamber, Calcutta, and the Madras Chamber.

Dated the 1st September 1923.

From the Bombay Incorporated Law Society, to the Chamber.

I beg to acknowledge receipt of your No. 1962-210 of the 31st ultimo and the previous communications for which I am obliged.

The letter from the Secretary to Government makes no reference to any proposed increase in the staff in the Original Side. The impression created by perusing the letter carefully, is that it is proposed to do away with certain offices!

As regards the Small Causes Court, the promise of augmentation of the staff is to be welcomed. But even here the augmentation is deferred. The fact I understand is that the staff employed in that Court has for some time

past been unable to cope with the work in hand. The conditions have changed for the worse during the current year owing to several thousands of suits having been filed by limited Companies in the Small Causes Court, to recover calls.

It is under the circumstances more than ever necessary that Government should be pressed to make an adequate early *increase* of the staff of the High Court. If the staff is increased immediately, the complaint as to delays in the administration of justice in the High Court, may have disappeared before the next session of the Legislative Council and at any rate it will not then be open to any one to charge Government with disinclination to provide an adequate staff although reaping a large revenue through the Original Side of the High Court. My Society feels strongly that the conduct of Government in not employing the necessary staff in the High Court is mainly if not wholly responsible for the delays complained of.

The letter from the Secretary to Government holds out no hopes of any relief in the direction indicated above.

Dated the 8th September 1923.

From the Madras Chamber, to the Chamber.

I beg to acknowledge receipt of your letter, dated the 31st August 1923, enquiring whether the Madras Chamber would be prepared to support a Resolution to be proposed by you at the forthcoming Annual Meeting of the Associated Chambers urging upon the local Governments to take steps to remedy the delays in the administration of justice. I am directed to state that this Chamber would be pleased to support the above Resolution.

No. 2982-1923 of the 12th November 1923.

From the Bengal Chamber, Calcutta, to the Chamber.

The administration of Justice.

I am directed to express the regret of the Committee of this Chamber that they have not been able to reply by an

earlier date, to the enquiries made in your letter No. 1961-210, dated 31st August 1923, with reference to this subject.

2. You ask for information as to whether there are serious delays in the Courts in Bengal. This enquiry necessitated a reference to the Chamber's solicitors, who have dealt with it in two letters, dated respectively 31st October and 2nd November 1923. Copies of these letters I now enclose herein.

3. You will notice that Messrs. Orr, Dignam & Co., deal in the first letter with the position in the Calcutta High Court, and in the second letter with the position in the mofussil courts. So far as the High Court is concerned they mention that steps have been already taken, in view of His Excellency the Viceroy's speech on the 8th January 1923; and they do not advise the Chamber to move in the matter until experience has been gained of the results of the changes in question.

4. Messrs. Orr, Dignam & Co.'s opinion as regards the position in the mofussil is, you will observe, that there is room for considerable improvement, and they suggest certain remedies.

5. From the foregoing it will be evident to you, the Committee think, that the resolution which your Chamber has placed on the agenda paper for the annual meeting of the Associated Chamber is quite in order so far as this Presidency is concerned.

6. For your further information I attach a copy of a letter which the Committee of the Chamber are now addressing to the Government of Bengal on the subject of the working of the Calcutta Court of Small Causes.

No. S. P.—28632 of the 31st October 1923.

**Copy of Letter from Messrs. Orr, Dignam & Co., to
Bengal Chamber, Calcutta.**

With reference to your letter of the 8th September your Committee desire to know the position in Bengal as to the administration of justice in the High Court and Mofussil Courts in view of the speech of His Excellency the Viceroy to the Associated Chambers of Commerce of India and Ceylon.

As far as the High Court, Calcutta, is concerned steps have already been taken in view of His Excellency the Viceroy's speech to remedy some of the defects of the existing system and as these come into force as from the 12th November next we think the Committee would be well advised before taking any further action in the matter to see how they work out in practice.

The new rules aim at expedition and provide for summary procedure in cases in which the plaintiff seeks to recover a debt as liquidated demand in money with or without interest.

- (a) on a contract express or implied ;
- (b) on an enactment where the sum sought to be recovered is a fixed sum of money or in the nature of a debt other than a penalty ; or
- (c) on a guarantee where the claim against the principal is in respect of a debt or a liquidated demand only ; or
- (d) on a Trust.

For the recovery of immoveable property with or without a claim for rent or mesne profits by a landlord against a tenant whose term has expired or has been duly determined by Notice to quit or has become liable to forfeiture for non-payment of rent or against persons claiming under such tenant.

With regard to ejectment suits the High Court has lately viewed with favour any application made by the landlord to recover possession by granting him an early date for hearing, but the above rule now places these suits on a definite footing with regard to the right of expedition.

The rules apply to defended suits and allow an immediate application to be made by the plaintiff, after appearance by the defendant has been entered, for judgment.

This application is made by summons returnable not less than 7 clear days after service. It will be possible in this case and where the defendant resides within the jurisdiction to obtain judgment 17 or 18 days after the Writ of Summons has been served as 10 days are allowed for appearance to be entered.

If however the defendant has entered appearance and filed a written statement then the application for summary judgment is only permissible within 10 days after the entering of appearance. The rules do not however provide for the case where the written statement has been filed more than 10 days after appearance has been entered.

We do not think however that this rule is practicable as the defendant has only to delay entering appearance for 10 days after service of the writ to render any application for summary judgment impossible.

and this no doubt will soon be recognised by litigants unless the suit is immediately transferred to the undefended list of suits by reason of no appearance having been entered within 10 days of the service of the writ of summons.

The procedure also provides for the defendant to come in and show cause why the suit should not be defended and if he satisfies the Court that he has a good defence the suit will take its ordinary course unless the Judge gives directions for its early hearing.

In the administration of these rules a good deal will depend upon the Judge hearing the particular application and whether the spirit of the rules is made effectual or otherwise.

We however consider that it is a step in the right direction and that they should be given a trial.

The costs of this summary procedure will be considerably less than that of an ordinary suit as only one Counsel's fee is allowable on taxation against the losing party.

With regard to the procedure in the Mofussil Courts we are addressing you separately.

No. S.P. 28805 of the 2nd November 1923.

Copy of letter from Messrs. Orr, Dignam & Co., to Bengal Chamber, Calcutta.

In continuance of our letter to you of the 31st ultimo we now deal with the procedure in the Mofussil.

1. In some districts disposal of suits is delayed owing to insufficient number of judicial officers. But more often than not there is a great congestion of cases in places where there are several officers with co-ordinate jurisdiction, among whom there is no proper division of work. Take, for example, the Subordinate Judges of Alipore. Each of them has been allotted a certain local jurisdiction over a specified area under a number of Police Stations. But the number of cases in each area is not the same or even approximately the same. The result is that some judges are overworked while others enjoy an easy time. No doubt the District Judge can transfer a case from one Court to another but this is very rarely done, because the overworked judge does not like to admit that he cannot cope with his work and the underworked judge does not want more work than what he has already got.

2. In some cases Judges do not attend Courts punctually.

3. Much of the time of the Judges is spent in supervising purely ministerial work for which a senior Munsiff may be appointed in each district as Registrar abolishing the post of the Sheristadar of the District Judge.

4. Each day a proper board of cases for the following day should be prepared, and the cases should be taken in their proper order thus doing away with the control of the Bench Clerk in putting up cases before the Judge, which is often done to suit the convenience of one or other of the parties and leads to abuse.

5. Cases should not be adjourned simply because both the parties ask for an adjournment. It often happens that a pleader without reference to his own client gives his consent to an adjournment asked for by the opposite side.

6. The procedure relating to discovery of documents interrogatories admission of facts and documents should be largely availed of; and a party not properly so availing should be deprived of his proportionate costs and should in some cases be saddled with the proportionate costs of the opposite party if necessary. Unfortunately applications for discovery, etc., are almost invariably discouraged in the mofussil, the Courts preferring that everything should be done in its presence at the time of the trial. Similarly applications for the examination of witnesses *de bene esse* should be allowed in proper cases; for it often happens that party whose witness is compelled to go away makes desperate attempts to put off the trial until that witness comes back.

Suggested remedies :—

1. The separate local jurisdictions of the Judges within the District should be abolished.

2. All suits should be filed before the most senior Judge and should remain on his file till the settlement of issues. After that the Judge by reference to the pleadings and hearing the parties if necessary, ascertain the time likely to be taken up in the trial of each suit. The cases will then be distributed among the other Judges, and the date of each case should be fixed by reference to the time estimated for the trial of the next preceding case.

3. One Judge should exclusively try ejectment, mortgage and money suits which require speedy disposal, but which are often delayed owing to the precedence often allowed to big title suits.

4. Appeals, uncontested suits, cases under the Probate and Administration, Succession Certificate and Provincial Insolvency Acts should be disposed of by the Senior Judge.

5. All *ex parte* matters should be decided on affidavit as far as possible. Much time of the Court is wasted in recording evidence in such cases.

6. Cases on the Board for the day as well as all urgent matters should be allowed to be mentioned in the morning before the regular work for the day is taken up; and, if necessary a matter may be mentioned at the end of the day before the rising of the Court. This practice is almost unknown in the Courts of Subordinate Judges and Munsiffs; and the result is that parties have to approach the Bench Clerk—a thing leading to much abuse and corruption.

7. The party getting an injunction should be in proper cases asked to furnish security for costs of the opposite party. It often happens that a party after getting an injunction tries to put off the trial indefinitely. A case in which an injunction has been granted should be given precedence over other cases as far as possible and if the party getting an injunction is not ready at the time of the trial without good cause the injunction should be vacated. The present practice in such cases is very lax.

8. Execution cases are delayed owing to the fact that the Courts are greatly inclined to grant all sorts of petition made by Judgment Debtors. Such petitions can be discouraged by making them conditional on payment of the cost of the decree holder for the hearing of such petition and a deposit.

9. Applications for setting aside an *ex parte* decree should not be received without a preliminary hearing with previous notice to the opposite party.

The above is a general statement of the main items of delay and if you desire it we can go into more detail.

No. 2963-1923 of the 12th November 1923.

**Copy of letter from the Bengal Chamber of Commerce,
Calcutta, to the Government of Bengal (Judicial
Department).**

I am directed to address you on the subject of the working of the Calcutta Court of Small Causes.

2. During the past thirty-five years or thereabouts the Chamber of Commerce has unfortunately found it to be necessary to make representations at intervals to the Local Government on this important subject. The Committee do not suggest that these representations have been without effect. On the contrary they are glad to be able to record that much has been done to lessen that general feeling of dissatisfaction which was so strongly expressed in the past, both by litigants resorting to the Court, and by the members of the legal profession practising in it. And they are convinced that the condition of

the Court is not now such as would justify the President of the Chamber saying—as was said with ample justification by the President in 1891—that “the state into which the business of the Small Causes Court of Calcutta has recently drifted makes one doubt whether it would not be, after all, wiser to put up with being unable to recover just debts, and better to pay, when sued for a false claim, rather than go to the Calcutta Court of Small Causes.”

3. There has been admittedly an improvement, but even so complaints of the working of the Court are still being made. And it is a fact that the hearing of many suits is unduly protracted, with the result that the object for which the Court exists, namely, the prompt disposal of small claims, is largely defeated. The Committee of the Chamber are advised that these difficulties might be at least to some extent overcome by the introduction of certain changes of procedure at different stages of the suit. And I am now to state the changes which the Committee recommend, and their reasons for bringing them forward.

4. The first suggestion is that, in respect of admitted claims, provision should be made whereby an application can be made by the plaintiff that a short date be fixed for the hearing, and for the filing of the written statement. Under the present procedure this cannot be done. No date is consequently fixed until after the written statement has been filed. This means a delay of at least a month before the case can possibly come on the Board for hearing. If, on the other hand, an application for a short date for the hearing and the written statement were allowed, it would be possible for the suit to be disposed of in a week's time after service of the writ.

5. Another suggestion is that when a defendant wants time to file his written statement he should not be allowed, as he now is, to make an *ex parte* application. He should be required to make the application on notice to the plaintiff, or his representative, on the day when the case is in the list. In many cases the defendants now enter appearance only on the date fixed for the purpose. They do not simultaneously put in their defence. They also often obtain, by *ex parte* application, a long time to file their defence. The Committee do not suggest of course that there are no cases in which these applications are *bona fide*. But their information is that the procedure causes much dissatisfaction to plaintiffs while it is favourable to defendants, who gain time by following it. And they are advised that if the application were made in the presence of the plaintiff, or his pleader, the disposal of cases would be expedited.

6. It is understood that complaints have been made about the suppression of the summons and the non-receipt of the notice. These documents are now sent under the postal certificate system. It is suggested by the Committee that this method should be abandoned, and that the notices should be sent under registered cover. The costs might be added to the decree. It would be safer for the Court to act

on a receipt for a registered cover than merely to rely on a *post a certificate*; for the certificate proves only that the particular summons or notice has been posted. It is no proof that the document was actually received by the addressee. As matters stand at present some litigants are denied a defence in the usual course. Much of the time of the Court is consequently occupied in hearing applications for restoration by parties who have not received the summons and notice, and who know nothing about the suit until after an *ex parte* decree has been made, and probably executed on them. These evils will be remedied if the suggestion to use the registered post be adopted, while the additional cost incurred will be negligible.

7. It has also been pointed out to the Committee that, even in cases where a *bona fide* defence is set up, the defendants by asking for adjournments on various pretexts unnecessarily prolong the hearing. They will even take an adjournment on the payment of costs to the plaintiffs. And, after the decree has been passed, they pray for payment by small instalments thus greatly prolonging the period before the decreed amount is finally paid. The remedy for this difficulty is, the Committee are advised, for the Court to refuse, during the hearing of contested cases, any application by the defendants for an adjournment, unless they give an undertaking that they will not delay the execution of the suit by asking to be permitted to pay the decreed amount by instalments.

8. It is said that at present great inconvenience is caused by the adjournment from time to time of cases in which the parties, or some of them, live outside Calcutta. They are required to attend on each occasion, and are thereby put to expense and trouble. This difficulty would be avoided if cases, in which the parties or any of them live in the mofussil, were specially fixed for hearing after the written statements have been filed.

9. The Committee understand that sometimes applications are entertained, and orders passed on them, by the bench clerks. It does not appear to be right that this should be permitted; and they suggest that all applications should be made before the judges who should personally endorse their orders upon them. It is obviously undesirable that matters of such importance should be left to bench clerks.

10. Complaints are made that parties are often required to remain in the Court from morning until evening waiting for their cases to be heard. This would certainly appear to be unnecessary, and the Committee think that it would be avoided. The judges might call over the Board first, and they could then fix times for hearing the contested cases, giving preference to those in which commercial or mofussil litigants are witnesses. If this procedure were followed it should not be necessary to require parties to spend an unduly long time in the Court waiting for their cases. A further suggestion is that a

time should be fixed in the morning for the making of applications and for mentioning matters to the Court. These should not be kept, as they are now, until the cases are called on in due course.

11. It is recommended that, at the time of moving an application for a new trial, no order should be made staying execution unless security has been furnished, or unless the plaintiff has consented. A notice of new trial should be forthwith sent, as in the institution of the suit, in addition to the service through the bailiff.

12. Cases are said to occur where persons of means are permitted to pay by instalments without the plaintiff, being given an opportunity to realise the decretal amount by attachment of the defendant's properties. The judgment debtor ought undoubtedly to be protected against arrest when he has *prima facie* established the fact of his poverty. But obviously the decree holder is prejudiced if he is not to be allowed the opportunity of realising the decreased amount by attachment. It is suggested that in such cases liberty should be given to the plaintiff to realise the money by attachment of the properties of the defendant, but that personal execution should be stayed so long as the defendant pays the instalments.

13. The Committee are also advised that greater strictness ought to be observed in the issue of notices of application for an instalment order, or for reduction of the instalment on the part of the defendant. The payment of half the arrears of the instalment should likewise be always made a condition precedent to the issue of such notices. In granting notices it should be further taken into consideration that the application is made *bona fide* and without unreasonable delay. The adoption of these suggestions would tend to stop unnecessary harassment by repetition of applications for instalments, or reduction of them. The notice of application for payment by instalments, and for reduction, should be sent to the plaintiff under registered cover, as suggested in respect of the notice and the issue of the summons.

14. Judgment debtors in many cases are said neither to pay the money due nor to pray for instalments. They merely watch to see what steps are being taken by the plaintiff. And, as soon as the costs are deposited by the plaintiff to institute execution proceedings, they go into Court with an application for instalments, and thus obtain an automatic stay of execution. To prevent this the Court should refuse to stay execution after the costs have been paid by the decreeholder, unless the defendants have furnished security, or deposited the decretal amount. Further, judgment debtors ought not to be allowed to pay by instalments after steps have been taken in aid of execution in cases where the defendants have not been allowed to pay by instalments on their own application, or where no such application was made by them before execution.

15. The Committee of the Chamber commend the foregoing suggestions to the favourable consideration of the Government of Bengal,

in the hope that, by their adoption, the hearing and disposal of suits in the Court of Small Causes may be further expedited to the advantage of litigants and of the public generally.

No. 2469-210 of the 27th November 1923.

From the Chamber, to the Bengal Chamber, Calcutta.

I am directed to acknowledge with thanks the receipt of your letter No. 2982, dated the 12th of November 1923, on the subject of the Administration of Justice in India.

No. 2451-210 of the 24th November 1923.

**From the Chamber to Messrs. Craigie, Blunt & Caroe,
Bombay.**

I am directed to inform you that the following resolution will be moved by the delegates from this Chamber at the forthcoming Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon on the 3rd December 1923:—

“ Having regard to some of the grave consequences of the delays in the administration of justice that at present obtain in the Courts of India, such as the great difficulty experienced in the recovery of debts and the enforcement of rights, and the adverse effect thereof on the trade of this country, this Association desires to impress upon local Governments the importance of taking steps to expedite the procedure in the Courts under their jurisdiction.”

2. In the above connection I am to say that my Committee will be glad if you will be good enough to favour them for the information of Mr. V. A. Grantham, M.L.C., who has been deputed to propose the resolution, with your opinion of the position in (a) the Small Causes Court and (b) the Bombay Mofussil, in the above regard.

3. My Committee will be glad to receive your views in the above connection at your early convenience in view of the shortness of the time at their disposal.

" Dated the 30th November 1923.

From Messrs. Craigie, Blunt & Caroe, to the Chamber.

We beg to acknowledge the receipt of your letter of the 24th instant, setting out a resolution regarding delays in the administration of justice that at present obtain in the Courts of India, which will be moved at the forthcoming Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon and asking us to favour your Committee with our opinion on the position in the Small Causes Court and in the mofussil.

We beg to state in reply that our experience of litigation in the Small Causes Court is comparatively small, and we did not feel confident without making enquiries to express any opinion. We, therefore, have taken the opportunity of discussing the matter with several of the leading pleaders practising in the Small Causes Court and the effect of the opinion they have given us is as follows :—

The increase in the number of suits filed last year in the Small Causes Court over those filed in the year 1913 is not a large one. The pleaders seemed to think that the increase was only from 10 to 20 per cent. From a mere debt collecting agency the Small Causes Court had, however, become a Court of Law, that is to say, the number of suits in which the defendant appeared and pleaded legal defences and called witnesses had considerably increased, with the result that cases took much longer to dispose of than they did before the War.

As regards suits under 1,000 rupees, there had been considerable congestion and delay, but the number of suits was decreasing and the pleaders anticipated that with the present slump the position as regards these suits would shortly be a normal one, that is to say, cases might reasonably be expected to reach hearing in from 3 to 4 months and possibly less. The only class of suits, which had recently shown an increase were suits filed to recover unpaid calls. This year over 5,000 such suits have been filed but there cannot be many more to come.

As regards suits for Rs. 1,000 and over the position was still serious, and it took from 12 to 18 months and sometimes longer

before a suit reached hearing. This delay was partly due to the reasons already mentioned but also partly to the fact that some years ago suits between Rs. 2,000 and Rs. 700 were disposed of by the first and third judges, whereas for the last few years the Chief Judge alone hears suits for over Rs. 1,000. The Chief Judge had communicated with Government on the subject of this delay but the reply he had received from Government was that he should try to carry on till the end of the year by which time the question of the extended jurisdiction to be given to the Small Causes Court would be settled and the question of additional judges disposed of.

Delay was also caused generally by the fact that one vacancy had not been filled and would not be filled until the question of extended jurisdiction had been settled.

It follows, therefore, that serious delay is confined to suits of above rupees 1,000, the delay there is considerable and that unless an additional judge is appointed to take up such suits, it is unlikely, even if the number of suits filed is decreased, that suits will come on for hearing within a reasonable time for another 3 or 4 years.

As regards Execution Proceedings, the pleaders did not appear to think that there was much ground for complaint, though possibly some additional Baliffs would expedite the service of such proceedings.

If by the word "Procedure" in the resolution the mover intends to convey a technical meaning, that is to say the manner in which pleadings are drawn and filed and discovery given we beg to say that the procedure in the Small Causes Court is as simple a procedure as can be.

In Suits under Rs. 1,000 the Plaintiff merely files a summons. In suits of over Rs. 1,000 he has to file a short statement of claim but the defendant is only required to state his defences at the hearing and no discovery is given. Therefore so far as "procedure" is concerned the suit could come on board for hearing within a reasonable time after the defendant had been served with a summons and had had time to prepare his defence.

As regards the mofussil our experience is even smaller. The little experience we have had went to show that litigation in the mofussil was leisurely, and we do not find it is worse now than it was some years ago. We discussed the matter with several pleaders practising on the Appellate Side of the High Court, and they were inclined to confirm what we have stated. They stated it was impossible to make a general complaint of additional delay that there were Courts where the delay was worse than others, that this was sometimes caused by temporary congestion, in others by the ability or otherwise of the Judge of the Court. They did not think generally speaking that there was any reason to say that matters are worse than before the War, though, no doubt, considerable time elapsed before a case came on for hearing.

Extracts from the Proceedings of the Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon held at Bombay on the 3rd December 1923.

MR. (NOW SIR) FRANK NELSON, *President, in the Chair.*

The meeting having re-assembled at 3 p.m. in the rooms of the Bombay Chamber of Commerce, the proceedings were opened by the PRESIDENT, who said :—May I, on behalf of the Committee and Members of the Bombay Chamber of Commerce, welcome the delegates here this afternoon? And may I say how delighted the members and delegates alike are to have in their midst the Hon'ble Mr. Chatterjee, the Hon'ble Sir Basil Blackett, and the Hon'ble Mr. Chadwick I cannot say how very much I personally appreciate the fact that they have come down all this way to attend our deliberations.

MR. V. A. GRANTHAM (Bombay) :—

The resolution which I have been asked to propose is as follows :—

Having regard to some of the grave consequences of the delays in the administration of justice that at present obtain in the Courts of India, such as the great difficulty experienced in the recovery of debts and the enforcement of rights, and the adverse

effect thereof on the trade of this country, this Association desires to impress upon local Governments the importance of taking steps to expedite the procedure in the Courts under their jurisdiction.

At the meeting of the Associated Chambers held in Calcutta a year ago, H. E. the Viceroy, in his address to the delegates, referred briefly to the delays in the administration of justice in India. He referred in particular to the delays in arriving at a decision of the court and the difficulties of enforcing judgments obtained from the Courts and told us that he was considering what steps should be taken for the purpose of expediting and facilitating the recovery of debts and the enforcement of rights in our courts of law.

As, up to a couple of months ago, nothing further had been heard of this matter from the Government of India and as this question of the delays in the administration of justice is a particularly vital one to all of us, my Chamber decided to put forward the resolution which I am now moving. Since then, an announcement has been made that His Excellency proposes to appoint a lawyer, with a special knowledge of the acceleration and simplification of civil justice, who will tour the country this cold weather and, with the assistance of a specially appointed committee, will advise Government what action should be taken to remedy the existing state of affairs. This announcement to some extent cuts the ground from below my resolution but not entirely, as I propose, as briefly as possible, to show.

In order to do so I must outline some of the more important of the consequences of the delays in the administration of justice that at present obtain in the courts in India, and before doing so I wish to make it clear that I only speak from the point of view of Bombay as I do not pretend to an acquaintance with the administration of Justice in other Presidencies or in the mofussil.

My resolution shows that we hold the great difficulties experienced in the recovery of debts and the enforcement of rights to be among the most important of these consequences. Obviously the benefit to be obtained by a recourse to law

must to a large extent be lost if there is a serious delay either in the suit coming up for hearing or in the execution of the decree and this more particularly applies to the case of the recovery of debts. If a long time elapses before such cases come up for hearing or if warrants of execution or warrants of arrest and other documents are delayed, it must automatically lead to judgment debtors taking advantage of this delay to run away or make arrangements further to impede the creditor in obtaining redress. This is exasperating enough to us who live in India but it may be international in its effect for if a merchant in a foreign country realizes that he will be unable to enforce his rights in India expeditiously, or even perhaps at all, in the event of his client's defaulting, he will naturally hesitate to trade with India. That India is rapidly acquiring a bad reputation in this respect is clearly illustrated by an article which appeared in the *Times* last July in which it was stated "that Judges in India appear to allow "contracts to be disputed on irrelevant grounds and the "procedure dealing with challenged Bills of Exchange appears to be most leisurely." This article continues to say that an extension of the summary procedure seems to be necessary and that speedy judicial proceedings are the surest protection to contracts in India as elsewhere. It concludes with the remark that the Indian courts provide Indian merchants with the means by which they can obtain what is in effect a moratorium of anything from 18 to 24 months or possibly more, without trouble, and at little cost. That an English paper with a circulation as wide as that of the *Times* should have grounds for writing an article of this nature is not pleasant to us who are residents in India nor can it be good for the country as a whole.

A further consequence of this delay in the machinery of the law is that most of us hesitate before having recourse to law. Most of us would, I think, settle our claims out of court on any terms rather than take proceedings against our debtors which might involve us in endless litigation during which time it is impossible to say what might happen to those debtors.

Then again, referring to the question of the writ of summons in short cause matters, the delay in obtaining the summons

in time for service frequently leads to the whole proceedings having to be gone through over again which involves the litigant in needless expense as well as in a failure to bring on his suit speedily against the defendant in the first instance, when the whole essence of the proceedings may be the speed with which the defendant is brought to book. Moreover, there seems to be good ground for the complaint that many suits that should be tried as short causes are without sufficient reason heard as long causes, a procedure which causes delays which may involve plaintiffs in serious losses.

Having thus stated some of the more important of the consequences of the delays in the administration of justice, I will now endeavour to trace the main causes of the delays of which we are complaining.

Primarily, of course, so far as the Bombay High Court is concerned, it must be due to the smallness of the Judiciary, as the greatest delay of all occurs while the suit is on the prospective board for trial and the daily list for hearing. The fact of the matter is that the present Judiciary cannot cope with the amount of work put before it and it should therefore be considered whether litigation on the present scale is likely to continue and if so, to what extent, and by what means, the Judiciary can be strengthened. To examine this question, as well as such technical matters as whether the speed with which decisions of the court are arrived at, can be increased, the expert lawyer and the committee proposed by the Government of India would to my mind be most desirable, but it should not be necessary for Local Governments to wait for the report of this committee before attempting to remove defects in the machinery that surrounds their High Courts, defects that are patent to us as laymen and regarding which we in Bombay have on more than one occasion addressed Government.

For example, in Bombay there is an appalling delay in the office of the Prothonotary. During the last four years owing to one cause and another, there has been an abnormal increase in the amount of litigation in the High Court and in order to cope with this increase, 5 Judges have been sitting on the original side instead of 3 as formerly and I think at the

moment, 7 or more Judges are sitting on the original side. Now it would appear to us to be a reasonable hypothesis that if it is necessary to increase the number of Judges, because there are more cases to be tried, it is equally necessary to increase the staff in the offices of the High Court, through whose hands the whole business has to pass, both before it reaches the Judge and after it leaves the Judge. Now in Bombay, although there has been a slight increase in the High Court staff, there has been no proportionate increase as compared with the volume of work, and the result is a serious delay, not only at the commencement of litigation, in obtaining the issue of a summons, but throughout the whole process including the obtaining of decrees and orders and other matters subsequent to the judgment having been given.

The Bombay Incorporated Law Society, to whom we are indebted for much useful information, has informed us that in many cases it has taken from 2 to 3 months to obtain a decree from the Prothonotary's office and that warrants of execution and arrest are also inordinately delayed, and this, I believe, is substantially correct.

I think then that I have said enough to convince you that so far as Bombay is concerned a great deal of the delay that attends the business of the High Court is due to the fact that the Prothonotary's office is so hopelessly understaffed that it is unable to cope with the amount of work which now passes through it and that this is particularly so in connection with the obtaining of decrees and orders and in the prosecution of execution proceedings. Consequently, that the present urgent need of the Bombay High Court, quite apart from the question of the strengthening of the Judiciary, is the strengthening and organizing of the Prothonotary's staff to ensure that the incidental proceedings from the filing of the suit to the trial thereof, may be put through accurately and expeditiously and that the decree when passed may be drawn up and sealed within a week at the least, instead of 6 weeks to 3 months as at present. How far these remarks of mine apply to other Provinces I shall be interested to hear. I have naturally only attempted to deal with the problem from the point of view of Bombay as obviously each Province must have its own special problems.

I must now deal with the question of ways and means. All Provincial Governments, as well as the Central Government, are making praiseworthy attempts to economise and Bombay is no exception in this respect, but while we sympathise with this wish to cut down expenditure, we cannot admit that the saving of salaries through the employment of an insufficient staff can be justified from any point of view whatever. The High Court is indisputably at the service of the public and the public pays for the administration of justice. The public are therefore entitled to expeditious and efficient service, at all events within the limits of the money directly paid by them for that service in the shape of fees. The income from High Court fees in Bombay on the original side has increased very largely in the past few years and the Bombay Government, at all events, can therefore well afford to increase the High Court staff.

I cannot in fairness conclude my remarks without stating that the Bombay Government has, in a recent communication to my Chamber, told us that they are fully alive to the importance of this matter and have under consideration steps for the improvement in the methods of work and for the general re-organization of the staff of the High Court. But what I wish to press for is not merely a re-organisation of the existing staff and methods but a definite and permanent increase in the staff of the High Court.

Before concluding I should like to refer to one other matter, more especially as, with a view to relieve the congestion in the High Court, the Bombay Government wishes, I believe, to modify the powers of the Small Causes Court, enabling it to hear suits for an amount extending to Rs. 5,000. This does not seem to me to be the right way of tackling the problem as quite apart from the fact that, I believe, there is already a serious delay in the Small Causes Court as regards suits over Rs. 1,000, I doubt whether the business community would relish the idea of suits for Rs. 5,000 being tried at the Small Causes Court at all. In 1916 this matter was discussed, at great length in the Bombay Legislative Council and in 1917, in the course of some correspondence with Government on the subject, my Chamber put forward the suggestion that a special Commercial Court should be formed within the High

Court, presided over by a special commercial Judge. This suggestion appeals to me. I think there is a definite need of such a Commercial court and would suggest that it should have powers to hear suits valued at between Rs. 2,000 and Rs. 15,000, Rs. 2,000 being the present limit of the Small Causes Court. We want a court, in fact, for business men, run on business lines, where it will be possible to obtain short, crisp and summary proceedings. It seems to me that such a court would go far towards removing the existing delays.

In this connection I have no hesitation in quoting to you some extracts from an interesting article which appeared in the October number of the *Journal* of the Associated Chambers of Commerce in China and Hong-Kong on the subject of the Japanese Courts, *viz* :—

“Commercial Courts have achieved great success in other countries and it seems that they would materially ease the situation here if established and conducted on common-sense principles and not hampered with a lot of complicated rules and red tape. Such courts should hear commercial suits without requiring lengthy statements and pleadings to be filed the Judges should deal with the cases in a direct and practical manner on the basis of the real points in dispute excuses for failing to be ready to proceed with the case should not be admitted If a lawyer talks nonsense in Court (a thing which, with all due deference to the legal profession, not infrequently happens) and it is suspected, or is obvious, that he is merely equivocating, his client should be immediately summoned, and they should then and there be interrogated, under oath, and perjury, if proved, be ruthlessly punished without delay The Court ought to have power in a particularly flagrant case to order provisional execution, notwithstanding notice of appeal has been given Commercial Courts, if properly conducted by really good men, would be able to bring business cases to a speedy and satisfactory determination, without fiddling about with superfluous technicalities or causing

litigants unnecessary expense. Such Courts would prove a veritable godsend to the harassed business man, improve commercial credit, ensure greater security in business transactions, and tend to protect the trading community from the mischievous activities of commercial cheats, harpies and adventurers, and do away with the objectionable tricks of shuffling legal practitioners."

You will see, gentlemen, that Japan has suffered as we have suffered.

With these words I have pleasure in moving the resolution which I have already cited.

MR. C. E. WOOD (Madras):—Mr. President and Gentlemen,—His Excellency the Viceroy has on so many occasions indicated his desire and intention to see that the matter of delays in justice receives the attention which it deserves, that it seems to me that it is only necessary for us to record the fact that in all parts of India the delays are a matter which affect the business community very adversely indeed, and that trouble is very widespread. The mover of the resolution has taken us through various ways in which delays occur and has also sketched some of the reasons for the delays and indicated certain cures. I think it is only necessary for me record to the position in Madras in order, as I say, that it may be recognised that the trouble is widespread; and, with your permission, I will quote one or two instances in order to prove my case. On a reference to the records of the Madras High Court it is observed that most of the original side suits date back to 1920 and 1921, and a great many of them to 1919. A typical case in a District Court is as follows:—A suit was filed in February 1917 in a matter of Rs. 400. The suit in itself was not so important except that the judgment was to be taken as a guide in the matter of other claims which were pending, and it was necessary therefore to have a final decision before the other claims were time-barred. The suit was heard, as I say, in 1917 and a decree was passed in favour of the defendants. An appeal was filed in 1918 and after several adjournments, judgment was given in 1919 confirming the

previous judgment. Application was made at once for a copy of the judgment and various reasons were given for not producing a copy ; but it was not until, I think two years later that a copy of the judgment was produced. The second appeal was then filed in July 1921, four years after the original suit was heard, and the appeal was admitted at the end of 1921. To-day the 3rd of December, 1923, the case has not yet been heard.

A further instance is a Small Cause Court case which was argued before a Full Bench of three Judges of the Small Cause Court in 1921. Twelve months later no judgment had been delivered and on the Court being pressed to deliver judgment the Full Bench had to admit that they had entirely forgotten the arguments put forward and requested the parties concerned to re-argue the case. Well, Gentlemen I do not think it is necessary for me to say more, and I have much pleasure in supporting the resolution under discussion.

MR. P. MUKERJEE (Punjab) :—Sir, the subject has been so exhaustively dealt with by the mover of the resolution that there is nothing more left for me to say, but I can assure you that delays of law are not peculiar to the Province of Bombay alone. The Provinces of the Punjab and Delhi, which my Chamber represents, equally suffer from these delays and innumerable instances of such cases could be related to-day if I wanted to do so, but I do not wish to waste the time of this Association and will resume my seat by heartily supporting the resolution moved by the delegate of the Bombay Chamber.

MR. W. L. CAREY (Bengal) :—In rising to support this resolution so very excellently put to us by the Bombay Chamber there is not very much for me to say. We applauded the remarks of His Excellency referred to by the Bombay Chamber and we now equally applaud the action which he has since indicated that he would take. We feel in our own businesses this need for the revision of the courts and we are entirely prepared to give every support to measures which may be set on foot towards improving things.

With regard to the question of the Commerical Court, I do not quite know exactly what form it is proposed it should take, but the question of an intermediate court between the Small Cause Court and the High Court was considered by the Bengal Chamber some years ago and that proposal was not favourably received. It was felt that there was no real room for it and that probably the development of the Small Cause Court might be better. No doubt, however, the persons to be appointed to inquire into the subject will go into this, and we shall no doubt have a further opportunity of considering the point.

In connection with the portion of the resolution referring to the action of local Governments, I need only say that the Bengal Chamber have taken advice on the subject of possible improvements in procedure and the form of the Small Cause Court and have addressed a very strong representation to the Bengal Government on the subject with their views and suggestions. They are now proceeding to do the same with regard to mofussil courts of the same nature.

I have much pleasure in supporting the resolution.

MR. S. H. TAILOR (Upper India):—On behalf of the Upper India Chamber I have much pleasure in supporting this resolution and in doing so I would simply say that we, in common with the other Chambers who have already spoken, suffer from these delays both in the Small Causes Court and in the High Court of our province.

With these words, on behalf of my Chamber, I support the resolution as strongly as possible.

MR. F. CLAYTON (Karachi):—We, in Karachi have the same experience as you have evidently common in other parts of India and I rise to support heartily this resolution. I believe, if you refer to the address given to Lord Willingdon on his arrival in India you will find that the Karachi Chamber then complained of their courts. Nothing was done. The same occurred in the address that we gave to His Excellency Sir George Lloyd and it was only in December last year that we

were finally able to convince Sir George Lloyd of the real urgency of the question. The answer was that we got, after so many years, one new Judge.

I think, so far as Karachi is concerned that we can point to even a worse state of affairs than anything that has been indicated to-day. When preparing our last appeal we desired to make out an unanswerable case because we have been turned down so many times. My Chamber wrote to friends in Madras, in Rangoon, in Lahore, and in Bombay to get records from their courts and with a very great deal of difficulty these were procured, as also the real truth regarding the Karachi courts. It was found to be the system in Karachi never to have a case more than five years old. In the records a case which had been entered in 1913, but that went out of the five years' range, so it had to come down to the 1918 section, and I suggest if records of other courts were gone into details would prove that cases which had only been put down as four or five-year cases would go back very much further than that period.

I have great pleasure in supporting this resolution so very important to the commercial interests of India.

THE HON'BLE SIR BASIL BLACKETT :—Mr. President and Gentlemen,—A very sad case has been put before me which would have made me feel very wretched if I was not in a position to say, like Mr. Mukerjee, that there is not very much to be said on the subject after His Excellency's announcement in Lahore in October and after the appointment, after that announcement of the Committee which is to inquire into this difficult subject. As His Excellency said, "delays in justice amount to a denial of justice" and that is a reproach which it is not in accordance with British precedent should be charged against any British Empire court. I had something to do with conditions in various parts of Europe before coming out here and there it was not so much a question of delays in justice but the denial of justice against which protest were being made. I agree with what has been said to-day in that the continuance of this state of things is a blot on the administration of a part of the British Empire. I cannot say that I agree fully with the mover

of this resolution, and with the last speaker, that you would get over these difficulties by increasing the number of Judges or by increasing the number of Civil Servants. As the Finance Member I have always a horror of any suggestions involving an increase in the number of Civil Servants. In listening to this debate I was reminded of a little rhyme I learnt as a boy :—

“ Multiplication is vexation,
The Rule of Three it puzzles me,
And Practice drives me mad.”

I do not think you can apply the Rule of Three here, *i.e.*, take the number of cases and multiply the number of Judges and the number of the staff accordingly. But this is a matter on which I am able to say His Excellency feels very keenly and which he has very much at heart, and I feel sure that the appointment of this Committee will lead to an improvement in the state of things. The presentation of the opinions of the Associated Chambers of Commerce which has been put before us to-day will, I am sure, prove very useful to that Committee, particularly in drawing attention to bad cases of delays which amount to a denial of justice, and I shall be very happy to report to His Excellency that the subject which he has at heart is also a subject which so much interests the Associated Chambers that they have thought it desirable to pass a special resolution to strengthen his hands in the action which he has taken.

The resolution was then put to the meeting and, on a show of hands being taken, was declared to be carried unanimously.

THE PRESIDENT :—I understand the Punjab Chamber are asking formal permission to withdraw their resolution on the same subject.

MR. P. MUKERJEE (Punjab) :—Under the authority of my Chamber, I, Sir, seek your permission to withdraw the re-

solution which stands in the name of my Chamber and which runs as follows :—

“ That this Association appoint a Committee to submit to His Excellency the Viceroy the considered opinion of the Members on the subject of measures necessary to expedite the recovery of debts and enforcement of rights in Indian Courts of Law, in response to the invitation contained in His Excellency's speech at the opening of the Annual General Meeting of this Association on the 8th January 1923.”

Permission to withdraw the resolution was accorded.

APPENDIX E-2.

THE INDIAN BAR COMMITTEE.

No. 4419-II-B. of the 24th November 1923.

**From the Government of Bombay (Home Department)
to the Chamber.**

I am directed by the Governor in Council to forward herewith a copy of the Questionnaire issued by the Indian Bar Committee, and to request that you will be so good as to favour Government with an immediate reply whether the Chamber of Commerce, Bombay, would like to send a representative to give evidence before the Committee.

INDIAN BAR COMMITTEE.

Questionnaire.

1. Are you in favour of the establishment of an all-India Bar, or do you consider that the Bar should be organised on a provincial basis ?

2. Are you in favour of withdrawing from High Courts in whole or in part their powers to admit, suspend and remove legal practitioners and to make rules regarding the qualifications for admission, their fees and the manner in which they shall practise ?

3. Would you transfer all or any of the powers referred to in Question 2 to a Central Bar Council for India or to Bar Councils constituted at the headquarters of each High Court ?

4. If you are in favour of the establishment of a Central Bar Council do you consider :—

(1) that it should be separately constituted or composed of delegates from provincial councils,

(2) that it should exercise original powers in respect of all or any of the matters referred to in Question 2 or act as a consultative and advisory body to co-ordinate as far as possible the exercise by the provincial Bar Councils of the functions assigned to them, with possibly powers to decide finally any doubtful questions which may be referred to it ?

5. If you are in favour of the first alternative in Question 4 (2) would you reserve to High Courts concurrent powers in respect of any of the matters transferred to the Bar Council ?

6. If you are in favour of Provincial Bar Councils how would you constitute them ? Do you consider that all such Bar Councils should be constituted in the same way, or that different conditions in the various provinces would necessitate different constitutions ?

7. Which, if any, of the powers referred to in Question 2 would you confer on them ?

8. Would you confer such powers absolutely or subject to the right of appeal to the High Court ?

9. Would you reserve to the High Court the power to require consideration by the Bar Council of any particular matter, and to revise the decisions of the Bar Council ?

10. Are you of opinion that the time has come when the control of matters relating to professional conduct and etiquette might be removed from the hands of High Courts ?

11. Do you consider it desirable in spite of the diversity of conditions in the different provinces that the qualifications for admission to the bar should be identical throughout India ?

12. If so, how do you consider this object can best be attained ?

13. Are the existing law courses in the various Universities in your opinion sufficiently uniform in standard to form the basis of equal qualifications throughout India ?

14. Do you consider that the educational and other qualifications for admission to practise in the High Courts should be prescribed by statute ?

15. Are the existing law courses at the Universities of a sufficiently high standard and sufficiently comprehensive to provide the educational qualifications which should be required of candidates for admission to practise in the High Courts?

16. If not, do you consider that the remedy should lie in amending the law courses, or in prescribing specific bar examinations? What effect would this latter course have, in your opinion, on the Faculties of Law?

17. Is the representation of the Bar on the University Faculties of Law adequate?

18. What other qualifications would you require before admission to practise in the High Courts, *e.g.*, service under Articles, supervised attendance in Courts, reading in chambers, or a period of practice in a Lower Court?

19. Are the qualifications now required in the case of vakils high enough to be adopted for admission to practise in the High Courts?

20. Do you consider that admission should be to practise in every High Court in India, or to practise in one High Court only?

21. If you are in favour of the latter alternative do you consider that persons admitted to practise in one High Court should be thereby entitled to admission to practise in another High Court only in cases where a reciprocal agreement to that effect has been made?

22. Are you in favour of maintaining or encouraging the present practice whereby English barristers come out to practise in India and Indians go to England to be called to the Bar?

23. Under what conditions would you admit Barristers of England or Ireland, or Advocates of Scotland to the Bar in India?

24. Do you consider that the additional qualifications which most High Courts now require in the case of Barristers-at-Law are sufficient to safeguard the quality of those who seek admission to practise in High Courts?

25. If not, what other qualifications would you suggest?

26. If you are not in favour of altering the present system of enrolling advocates and vakils, would you remove all or any of the distinctions between advocates and vakils in respect of pre-audience, taking instructions direct from clients, the filing of *vakalatnamas* and appearance on all sides of the Courts? Would you abolish *vakalatnamas* altogether, or require the production of a power to appear by advocates as well as vakils? Would you amend the law so as to remove the statutory or other privileges which barristers enjoy in respect of judicial or other appointments?

27. Are you in favour of maintaining the dual system of advocates and attorneys where it now exists or of extending it? Are you in favour of making separate provision for the enrolment of attorneys?

28. Would you substitute for the three branches of advocate, vakil and attorney a single grade of practitioners which would comprise both those who practise as advocates and those who practise as attorneys?

29. Would you have in addition to those practitioners who are entitled to practise before all Courts, including the High Court, a lower grade comprising those practitioners of various kinds who are only entitled to practise in Courts subordinate to the High Court?

30. If so, would you reserve to the High Court or transfer to the Bar Council the power to make rules for the admission, suspension and dismissal of practitioners in this lower grade and for their fees?

31. Are you in favour of establishing District Bar Councils, to which would be delegated powers of control over the lower grade of practitioners? Would you include in such Councils only practitioners entitled to practise before Courts subordinate to the High Court or those entitled to practise in the High Court also?

32. Should all practitioners be able to sue for their fees and be liable to be sued for negligence?

33. What title or titles would you give to persons admitted to practise :—

- (1) in High Courts and Courts subordinate thereto,
- (2) in Courts subordinate to High Courts and in Revenue Courts?

Do you consider that the usual association of the title "Barrister" with the possession of English qualifications would constitute an objection to the adoption of that title in India?

No. 2504-283 of the 30th November, 1923.

**From the Chamber to the Government of Bombay
(Home Department.)**

I am directed to acknowledge the receipt of your letter No. 4419-II-B., dated the 24th of November 1923, forwarding a copy of the questionnaire issued by the Indian Bar Committee and in reply to inform you that as my Committee do not think that the matter is one on which the Chamber can

competently give evidence they do not therefore desire to appoint a representative to give evidence before the Committee in question.

APPENDIX E-3.

ROYAL COMMISSION ON THE SUPERIOR CIVIL SERVICES IN INDIA.

No. 2097 of the 30th October 1923.

**From the Government of Bombay (Finance
Department), to the Chamber.**

I am directed to forward one copy each of the two Questionnaires of the Royal Commission on the Superior Services in India and to ask that you will be so good as to state the views of your Chamber on the questions and to address the reply to the Chairman of the Royal Commission on the Superior Civil Services, Camp, in India time for it to be delivered as early as possible after the arrival of the Chairman in Delhi on November 3rd and in any case before the end of November.

2. I am to state that the questionnaires have, in order to save delay, been prepared under the orders of the Chairman in consultation with the Indian Members of the Commission, and should at this stage, be regarded as provisional, in the sense that they may be supplemented by further questionnaires when the Commission assembles in India.

3. The terms of reference direct the Commission to enquire into the "Superior Civil Services in India." Until the Commission has met it is impossible to settle precisely what services shall be regarded as coming within this description. For the present therefore the questionnaires refer explicitly only to the all-India Services as defined by the rules under section 96B (2) of the Government of India Act. But it

should not be assumed that other services for example Imperial services such as the Imperial Customs Service, will not come under the review of the Commission.

4. Further copies of the questionnaires will be supplied to you on your requisition, as soon as they are received.

5. I am to add that though the questionnaires have been marked "Confidential" it must not be assumed that the answers received will not be made public. Until the Commission has assembled in Delhi, it is impossible to say what procedure in this respect it may decide to adopt.

6. It is requested that a copy of the reply of your Chamber may be addressed to the Chief Secretary to the Government of Bombay, Bombay and to the Secretary to the Government of India, Home Department.

No. 2097-F. of the 17th November 1923.

From the Government of Bombay (Finance Department), to the Chamber.

In continuation of Government letter No. 2097, dated 30th October 1923, I am directed to forward a copy of the revised questionnaires of the Royal Commission on the Superior Civil Services in India, and to request that if possible 20 copies (in print or type) of your reply may be despatched direct to the Royal Commission Camp, India, at the earliest practicable moment. The Commission have stated that in their view it is most undesirable that the replies from the bodies and individuals whose opinions have been invited should be withheld until a few days before the Commission hears verbal evidence in Bombay.

ROYAL COMMISSION ON THE SUPERIOR CIVIL SERVICES IN INDIA.

I.—Questionnaire on the Organization of the Services.

1. In the light of the experience now gained of the operation of the system of government established by the Government of India Act, and in view of the avowed policy of Parliament as contained in the preamble of that Act, do you consider that any readjustment of the

position of any or all of the all-India Services required, and, in particular, would it be possible to transfer immediately or gradually any of their present duties and functions to Services constituted on a provincial basis? If, in your opinion, any readjustment is necessary, what should be the place and functions of these Services, and especially of the Indian Civil Service, in the Government of India?

2.* The tables annexed set out the principal classes of superior appointments at present held by members of the all-India Services. To what extent, in each of these classes, do you consider that European personnel must at present be retained for the maintenance of a standard of administration in accordance with the responsibilities of the Crown for the Government of India, and do you consider that any progressive reduction of this European element will be practicable within, say, the next 20 years?

3. Do you consider that the European element in the Services should be appointed and controlled by the Secretary of State in Council as members of Services organised on an All-India basis with the safeguards and conditions at present attaching to that organisation, or should it be appointed and controlled by the Government of India, or, where the duties concerned are under a Local Government, by the Local Government?

4. Having regard to the declared policy of Parliament in respect of increasing the association of Indians in every branch of the administration and to the provision in Section 84-A of the Government of India Act for the appointment of a Statutory Commission in 1929 to report on the extent to which it is desirable "to extend, modify or restrict the degree of responsible government then existing in India;" and having regard also to the importance of offering to recruits a career of adequate security and opportunity; on what conditions do you consider that the European element in the Services should be recruited? In particular, do you consider that engagements on short term contracts would be suitable as a substitute for permanent appointments; and if so, to what extent and in what branches of the Services?

5. Do you consider that the Secretary of State in Council should continue to appoint and control the Indians required for duties and functions of the kind at present performed by the all-India Services; or should they be appointed by the Government of India or by Local Governments? If you hold the former view, do you consider that any alterations are necessary in the methods adopted for the recruitment of Indians for the all-India Services?

6. Do you consider that the existing rates of pay for the all-India Services are suitable (a) for Europeans, (b) for Indians? If not, what readjustments do you suggest?

*The scales on which Indians are being recruited for the various Indian Services under existing rules are shown in appendix III to the questionnaire.

7. If Local Governments should appoint the personnel required for the duties and functions referred to in 5, would it be preferable to organise them as separate superior Provincial Services or to amalgamate them with the existing Provincial Services? In the latter alternative, what scales of pay would, in your opinion, be necessary to obtain recruits of the required standard?

ROYAL COMMISSION ON THE SUPERIOR CIVIL SERVICES
IN INDIA.

*II.—Questionnaire on Service Conditions in the
all-India Services.*

1. Taking into consideration the provisions of the Government of India Act, do you consider that the position of members of the Services is adequately safeguarded as regards (i) pay, (ii) allowances, (iii) prospects and (iv) pensions. If not, and bearing in mind the existing constitutional position in India, have you any proposals to make?

2. Have you any observations to offer on the scheme for retirement on proportionate pension announced in the Government of India Home Department, Resolution, dated November 8th, 1921, No. F.149-1, (Establishments) as subsequently amended?

3. What are your views with regard to the present rates of pay? Give any figures available to you, *e.g.*, family budgets distinguishing between expenditure in India and expenditure involving remittance to the United Kingdom. If a new scale of remuneration were fixed now, how would you provide for its adjustment to meet future variations in prices and exchange?

4. What are your views with regard to the question of passage allowances for officers in the Services and their families? If such allowances were granted, would you prefer that they should take the form of an increase of overseas pay to all officers or the grant of a certain number of passages during an officer's service to himself, his wife and family?

5. Have you any criticisms to make regarding the allowances payable to the Services?

6. Have you any observations to offer regarding the withdrawal of exchange compensation allowance?

7. Do you consider that any grievance exists in respect of house-accommodation, the rent chargeable for official residences, or the house rent allowances granted when no official residence is available?

8. Have you any criticism to make regarding the leave rules?

9. Do you consider that the pension rules and scales are satisfactory? If not, give reasons in detail for any proposals you may have to make. Do you consider that Subscription to Provident Funds by Government in lieu of pensions should be adopted for (1) officers now in the Services and (2) future recruits? Have you any observations to make on the rules governing commutation of pensions, and in particular the existing one-third restriction on the proportion of pension which may be commuted?

10. What is your opinion of the comparative merits of family pensions and provident funds as provision for the families of deceased officers? Have you any observations to offer regarding the existing I.C.S. Family Pension Fund?

11. Do you consider that suitable provision is made for medical attendance for officers and their families? If not, have you any proposals to make?

APPENDIX I.

Terms of Reference of Royal Commission on the Superior Civil Services in India.

Whereas, having regard to the necessity for maintaining a standard of administration in conformity with the responsibilities of the Crown for the Government of India, and to the declared policy of Parliament in respect of the increasing association of Indians in every branch of the administration, and in view of the experience now gained of the operation of the system of Government established by the Government of India Act in respect of the superior Civil Services in India. We have deemed it expedient that a Commission should forthwith issue to enquire into:—

- (1) The organisation and general conditions of service, financial and otherwise, of those Services;
- (2) The possibility of transferring immediately or gradually any of their present duties and functions to services constituted on a provincial basis;
- 3) The recruitment of Europeans and Indians respectively for which provision should be made under the Constitution established by the said Act, and the best methods of ensuring and maintaining such recruitment; and to make recommendations.

APPENDIX II.

Table of Principal Classes of Superior Appointments under the Government of India held by Members of the all-India Services.

Indian Civil Service—
 Appointments under the Foreign and Political Department.
 Commissioner, Northern India Salt Revenue Department.
 Census Commissioner.
 Director General of Commercial Intelligence.
 Collector of Customs.
 Accountant General and Chief Auditor
 Deputy Controller of Currency
 Controller of Currency
 Auditor General.
 Miscellaneous posts such as
 Opium Agent, etc.
 Postmaster-General.
 Deputy Director General of the Post Office.
 Director General of Posts and Telegraphs.
 Deputy Secretary and Secretary to Government of India.
 Member of Central Board of Revenue.
 Puisne Judge, Calcutta High Court.
 Member of Governor General's Executive Council.
 Miscellaneous posts such as
 Chief Commissioner, Delhi, Andaman and Nicobar Islands, etc.

Indian Police Service—
 Assistant Director, Deputy Director and Director, Intelligence Bureau.

Indian Forest Service—
 Scientific posts at the Forest Research Institute and College, such as Forest Economist, etc.
 President, Research Institute.
 Inspector General of Forests.

Indian Educational Service—
 Educational Commissioner.
 Appointments of masters on the Chiefs' Colleges cadre under the Political Department.

Indian Agricultural Service—
 Agricultural Chemists, Imperial Agriculturists, etc.
 Director of the Agricultural Research Institute and College, Pusa.
 Agricultural Adviser to the Government of India.

Indian Service of Engineers—
 Executive Engineer.
 Superintending Engineer.
 Chief Engineer.
 Consulting Engineer.

Railways—
 Executive Engineer.
 Superintending Engineer.
 Chief Engineer and Deputy Chief Engineer.
 Members, Railway Board.

Indian Medical Service—
 Appointments of Agency and Residency Surgeons under the Political Department.
 Scientific posts such as Director of Medical Research.
 Director, Central Research Institute, Kasauli, etc.
 Public Health Commissioner.
 Assistant Director, Deputy Director, Director General, Indian Medical Service.

Indian Veterinary Service—
 Scientific posts at the Imperial Bacteriological Laboratory, Mukhtesar, such as Director Bacteriologists, etc.

APPENDIX II—*contd.*

*Table of Principal Classes of Superior Appointments under
the Provincial Governments held by Members of the all-
India Services.*

Indian Civil Service—

Sub-Collector, 1st grade, Madras.
Magistrate Collector, Deputy
Commissioner, or Settlement
Officer.
District and Sessions Judge of
Divisional Judge.
Deputy Secretary and Secretary
to local Governments and
Boards of Revenue.
Commissioner.
Member of Boards of Revenue
and Financial Commissioner.
Civilian Judge of High Courts
and Judicial Commissioner.
Member of Governor's Executive
Councils.

Indian Police Service—

Superintendent.
Deputy Inspector General.
Deputy Commissioner and In-
spector General.
Commissioner of Police (e.g.,
Bombay).

Indian Educational Service—

Inspector of Schools.
Principal and Professor of College.
Deputy Director and Director of
Public Instruction.

Indian Forest Service—

Deputy Conservator.
Conservator.
Chief Conservator.

*Indian Forest Engineering
Service—*

Forest Engineers.

Indian Agricultural Service—

Scientific posts, such as Economic
Botanist, etc.

*Indian Agricultural Service
—contd.*

Principal and Professor of Agri-
cultural College.
Deputy Director of Agriculture.
Director of Agriculture.

Indian Service of Engineers—

Irrigation—
Executive Engineer.
Superintending Engineer.
Chief Engineer.
Buildings and Roads—
Executive Engineer.
Superintending Engineer.
Chief Engineer.

Indian Veterinary Service—

Principal and Professor of Veteri-
nary College.
Chief Superintendent.
Superintendent and Veterinary
Advisers to Government.

Indian Medical Service—

Civil Surgeon.
Chemical Examiner.
Director of Provincial Bacteriolo-
gical Laboratory.
Director of Pasteur Institute, etc.
Health and Sanitary Officer.
Superintendent, Surgeon and
Physician of Hospital.
Principal and Professor of College.
Assistant Director of Public
Health.
Director of Public Health.
Superintendent of Jails, Asylums,
etc.
Inspector General of Prisons.
Inspector General of Civil Hos-
pitals.
Surgeon General.

APPENDIX III.

Statement showing the scales on which Indians are being and will be recruited for the all-India Services under present rules.

Indian Civil Service.— $37\frac{1}{2}$ per cent. rising by $1\frac{1}{2}$ per cent. annually up to 48 per cent.

Indian Police Service.—33 per cent. in provinces other than North-West Frontier Province, and Burma. For North-West Frontier Province proportion is restricted to 10 per cent. and for Burma to 22 per cent. of which at least 15 should be Burmans.

Indian Forest Service.—The percentage of direct recruitment of Indians has been fixed at 40 for India and 25 for Burma for a period of 5 years from 1921. This includes Indians recruited both in England and India. In addition recruitment by promotion from the Provincial to the Imperial Service has been fixed at 12·5 per cent. of the posts in the Imperial Service.

Indian Agricultural Service.—Composition of the Service to be worked up to 50 per cent. Indian, by appointment of Indians, as qualified candidates become available. No definite scale of annual recruitment has been laid down.

Indian Veterinary Service.—Composition of the Service to be worked up to 50 per cent. Indian by appointment of Indians, subject to their attaining the requisite standard of efficiency. No definite scale of annual recruitment has been laid down.

Indian Educational Service (Men's Branch).—The general rule is that in regulating annual direct recruitment 50 per cent. should be Indians, until 50 per cent. of the composition of the Service is Indian. Indians transferred in posts transferred from the Provincial to the Imperial Service are not included in this 50 per cent. No definite percentage has been laid down for Burma.

Women's Branch.—No definite percentage has been fixed.

Indian Service of Engineers.—50 per cent. recruited in England, and 50 per cent. in India. Of the 50 per cent. recruited in England 10 per cent. must be Indians. For Burma the percentage recruited in England is 67 instead of 50.

Indian Medical Service.—The recruitment ratio fixed in 1915 was 2 Europeans to 1 Indian. Proposals to increase the ratio of Indians. are at present under discussion.

APPENDIX IV.

Statutory Provisions and Rules defining and regulating the position of the Indian Services, and in particular of the all-India Services.

Extracts from Government of India Act.

45A.—(2) Without prejudice to the generality of the foregoing powers [in regard to the classification of central and provincial subjects], rules made for the above mentioned purposes may :—

* * * * *

- (iv) provide for regulating the exercise of the authority vested in the local government of a province over members of the public services therein.

[For rules made under this section, see page 8.]

67A.—(3) The proposals of the Governor-General in Council for the appropriation of revenue or moneys relating to the following heads of expenditure shall not be submitted to the vote of the Legislative Assembly, nor shall they be open to discussion by either chamber at the time when the annual statement is under consideration, unless the Governor-General otherwise directs :—

* * * * *

- (iii) Salaries and pensions of persons appointed by or with the approval of His Majesty or by the Secretary of State in Council.

72D.—(3) Nothing in the foregoing sub-section* shall require proposals to be submitted to the [governor's legislative] council relating to the following heads of expenditure :—

* * * * *

- (iv) Salaries and pensions of persons appointed by or with the approval of His Majesty or by the Secretary of State in Council.

*The foregoing sub-section requires that " The estimated annual expenditure and revenue of the province shall be laid before the [governor's legislative] council in each year, and the proposals of the local government for the appropriation of provincial revenues and other moneys in any year shall be submitted to the vote of the council in the form of demands or grants."

96a.—(1) Subject to the provisions of this Act and of Rules made thereunder, every person in the civil service of the Crown in India holds office during His Majesty's pleasure, and may be employed in any manner required by a proper authority within the scope of his duty, but no person in that service may be dismissed by any authority subordinate to that by which he was appointed, and the Secretary of State in Council may (except so far as he may provide by rules to the contrary) reinstate any person in that service who has been dismissed.

If any such person appointed by the Secretary of State in Council thinks himself wronged by an order by an official superior in a governor's province, and on due application made to that superior does not receive the redress to which he may consider himself entitled, he may, without prejudice to any other right of redress, complain to the governor of the province in order to obtain justice and the governor is hereby directed to examine such complaint and require such action to be taken thereon as may appear to him to be just and equitable.

(2) The Secretary of State in Council may make rules for regulating the classification of the civil services in India, the methods of their recruitment, their conditions of service, pay and allowances, and discipline and conduct. Such rules may, to such extent and in respect of such matters as may be prescribed, delegate the power of making rules to the Governor-General in Council or to local governments, or authorise the Indian legislature or local legislatures to make laws regulating the public services:

Provided that every person appointed before the commencement of the Government of India Act, 1919, by the Secretary of State in Council to the civil service of the Crown in India shall retain all his existing or accruing rights, or shall receive such compensation for the loss of any of them as the Secretary of State in Council may consider just and equitable.

(3) The right to pensions and the scale and conditions of pensions of all persons in the civil service of the Crown in India appointed by the Secretary of State in Council shall be regulated in accordance with the rules in force at the time of the passing of the Government of India Act, 1919. Any such rules may be varied or added to by the Secretary of State in Council and shall have effect as so varied or added to, but any such variation or addition shall not adversely affect the pension of any member of the service appointed before the date thereof.

Nothing in this section or in any rule thereunder shall prejudice the rights to which any person may, or may have, become entitled under the provisions in relation to pensions contained in the East India Annuity Funds Act, 1874.

(4) For the removal of doubts, it is hereby declared that all rules or other provisions in operation at the time of the passing of the Gov-

ernment of India Act, 1919, whether made by the Secretary of State in Council or by any other authority, relating to the civil service of the Crown in India, were duly made in accordance with the powers in that behalf, and are confirmed, but any such rules or provisions may be revoked, varied, or added to by rules or laws made under this section.

96C.—(1) There shall be established in India a public service commission, consisting of not more than five members, of whom one shall be chairman, appointed by the Secretary of State in Council. Each member shall hold office for five years, and may be reappointed. No member shall be removed before the expiry of his term of office, except by order of the Secretary of State in Council. The qualifications for appointment and the pay and pension (if any) attaching to the office of chairman and member shall be prescribed by rules made by the Secretary of State in Council.

(2) The Public Service Commission shall discharge, in regard to recruitment and control of the public services in India, such functions as may be assigned thereto by rules made by the Secretary of State in Council.

* * * * *

96E.—Rules made under this Part* of this Act shall not be made except with the concurrence of the majority of votes at a meeting of the Council of India.

97.—(1) The Secretary of State in Council may, with the advice and assistance of the Civil Service Commissioners, make rules for the examination, under the superintendence of those Commissioners, of British subjects, and of persons in respect of whom a declaration has been made under section 96A† of this Act, who are desirous of becoming candidates for appointment to the Indian Civil Service.

(2) The rules shall prescribe the age and qualifications of the candidates, and the subjects of examination.

(2A) The admission to the Indian Civil Service of a British subject who or whose father or mother was not born within His Majesty's dominions shall be subject to such restrictions as the Secretary of State in Council, with the advice and assistance of the Civil Service Commissioners, may think fit to prescribe, and all such restrictions shall be included in the rules.

* Part VIIA relating to the Civil Services in India.

† Section 96A provides that the Governor-General in Council, with the approval of the Secretary of State in Council, may, by notification, declare that any named ruler or subject of any State in India shall be eligible for appointment to any civil or military office under the Crown to which a native of British India may be appointed, or any named subject of any State, or any named member of any independent race or tribe, in territory adjacent to India, shall be eligible for appointment to any such military office.

(3) All rules made in pursuance of this section shall be laid before Parliament within fourteen days after the making thereof, or, if Parliament is not then sitting, then within fourteen days after the next meeting of Parliament.

(4) The candidates certified to be entitled under the rules shall be recommended for appointment according to the order of their proficiency as shown by their examination.

(5) Such persons only as are so certified may be appointed or admitted to the Indian Civil Service by the Secretary of State in Council.

(6) Notwithstanding anything in this section, the Secretary of State may make appointments to the Indian Civil Service of persons domiciled in India in accordance with such rules as may be prescribed by the Secretary of State in Council with the concurrence of the majority of votes at a meeting of the Council of India.

Any rules made under this sub-section shall not have force until they have been laid for thirty days before both Houses of Parliament.

98. Subject to the provisions of this Act, all vacancies happening in any of the offices specified or referred to in the Third Schedule to this Act,* and all such offices which may be created hereafter shall be filled from amongst the members of the Indian Civil Service.

*Third Schedule to the Government of India Act, section 98 :—

OFFICES RESERVED TO THE INDIAN CIVIL SERVICE.

A.—Offices under the Governor-General in Council.

1. The offices of secretary, joint secretary and deputy secretary in every department except the Army, Marine, Education, Foreign, Political and Public Works Departments: Provided that, if the office of secretary or deputy secretary in the Legislative Department is filled from among the members of the Indian Civil Service, then the office of deputy secretary or secretary in that department, as the case may be, need not be so filled.

2. Three offices of Accountants General.

B.—Offices in the Provinces which were known in the year 1861 as "Regulation Provinces."

The following offices, namely, :—

1. Member of the Board of Revenue.
2. Financial Commissioner.
3. Commissioner of Revenue.
4. Commissioner of Customs.
5. Opium Agent.
6. Secretary in every department except the Public Works or Marine Departments.
7. Secretary to the Board of Revenue.
8. District session judge.
9. Additional district or sessions judge.
10. District Magistrate.
11. Collector of Revenue or Chief Revenue Officer of district.

99.—(1)^c The authorities in India, by whom appointments are made to offices in the Indian Civil Service, may appoint to any such office any persons of proved merit and ability domiciled in British India and born of parents habitually resident in India and not established there for temporary purposes only, although the person so appointed has not been admitted to that service in accordance with the foregoing provisions of this Act.

(2) Every such appointment shall be made subject to such rules as may be prescribed by the Governor-General in Council and sanctioned by the Secretary of State in Council with the concurrence of majority of votes at a meeting of the Council of India.

(3) The Governor-General in Council may, by resolution, define and limit the qualification of persons who may be appointed under this section, but every resolution made for that purpose shall be subject to the sanction of the Secretary of State in Council; and shall not have force until it has been laid for thirty days before both Houses of Parliament.

100.—(1) Where it appears to the authority in India by whom an appointment is to be made to any office reserved to members of the Indian Civil Service, that a person not being a member of that service ought, under the special circumstances of the case, to be appointed thereto, the authority may appoint thereto any person who has resided for at least seven years in India and who has, before his appointment, fulfilled all the tests (if any) which would be imposed in the like case on a member of that service.

(2) Every such appointment shall be provisional only, and shall forthwith be reported to the Secretary of State, with the special reasons for making it; and, unless the Secretary of State in Council approves the appointment with the concurrence of a majority of votes at a meeting of the Council of India, and within twelve months from the date of the appointment intimates such approval to the authority by whom the appointment was made, the appointment shall be cancelled.

101.—(3) A judge of a high court must be—

- (b) a member of the Indian Civil Service of not less than ten years' standing, and having for at least three years served as, or exercised the powers of, a district judge.

* * * *

(4) Provided that not less than one-third of the judges of a high court, including the chief justice but excluding additional judges, must

be such barristers or advocates as aforesaid, and that not less than one-third must be members of the Indian Civil Service.

*Extract from the (Devolution) Rules made under Section 45.1
(2) [see page 5].*

10. The authority vested in the Local Government over officers of the public services employed in a Governor's Province shall be exercised in the case of officers serving in a department dealing with reserved subjects by the Governor in Council, and in the case of officers serving in a department dealing with transferred subjects by the Governor acting with the minister in charge of the department : provided that—

- (a) no order affecting emoluments or pensions, no order of formal censure and no order on a memorial shall be passed to the disadvantage of an officer of an all-India or provincial service without the personal concurrence of the Governor ; and
- (b) no order for the posting of an officer of an all-India service shall be made without the personal concurrence of the Governor.

11. If an officer performs duties both in a department dealing with reserved subjects and in a department dealing with transferred subjects, the Governor shall decide in which department he shall be deemed to be serving.

12. A local Government shall employ such number of Indian Medical Service officers in such appointments and on such terms and conditions as may be prescribed by the Secretary of State in Council.

*Rules under Section 96 B (2) of the Government of India Act
[see page 5.]*

In exercise of the powers conferred by section 96 B (2) of the Government of India Act, the Secretary of State in Council, with the concurrence of the majority of votes at a meeting of the Council held this 22nd day of December 1920, hereby makes the following rules under the said section, which shall apply only to Governor's provinces, and shall have effect from the several dates appointed for the coming into operation of the said section in those provinces.

Classification of Officers under Administrative Control of local Governments.

I. Officers under the administrative control of Local Governments other than officers employed on the administration of central subjects

and appointed by the Secretary of State or the Government of India, shall be classified in the following divisions, namely :—

- (1) the all-India Services,
- (2) the Provincial Service,
- (3) the Subordinate Services,
- (4) officers holding special posts.

Definition of all-India Services.

II. The all-India services shall consist of—

(a) all officers serving under local Governments who are members of any of the following services—

- (1) the Indian Civil Service,
- (2) the Indian Police Service,
- (3) the Indian Forest Service,
- (4) the Indian Educational Service,
- (5) the Indian Agricultural Service,
- (6) the Indian Service of Engineers,
- (7) the Imperial branch of the Civil Veterinary Department,

(8) officers of the Indian Medical Service in civil employ,

and any other service declared by the Secretary of State in Council to be an all-India Service;*

(b) military officers and other officers holding posts borne on the provincial cadres of the above services.

Definition of Provincial Services.

III.—(1) The provincial services shall consist of the services shown in the schedule to these rules, and any other service declared by the local Government to be a provincial service.

(2) The services shown in the schedule shall include all appointments at present included in these services and any appointments which a local Government may add thereto :

Provided that if any service not included in the schedule to these rules is declared to be a provincial service, or if any appointment of a kind or class not at present included in a provincial service is added thereto, such declaration or addition shall be without prejudice to the rights and prospects of members of provincial services affected who were appointed before these rules were made.

*By Resolution in Council, dated 12th December 1922, item (7) was altered to "the Indian Veterinary Service" and by Resolutions, dated 5th September 1923, "the Indian Forest Engineering Service" was added.

Definition of Subordinate Services.

IV. The subordinate services shall consist of all minor administrative, executive and ministerial posts to which appointments are made by the local Government or by an authority subordinate to the local Government.

Special Posts.

V. Special posts shall include all posts of a special or technical character, not included in an all-India or provincial service, to which appointments are made by the local Government or by any other authority on behalf of the local Government and which are declared by the local Government to be special posts.

Appointments to all-India Services.

VI. All first appointments to an all-India service, other than appointments made by promotion to such service of officers belonging to some other service or of members of the bar appointed to posts ordinarily held by members of the Indian Civil Service, shall be made by the Secretary of State in Council.

VII. Save as provided in the rules or orders regulating the recruitment of the all-India services, no person may be appointed without the previous sanction of the Secretary of State in Council to any post borne on the provincial cadre of such service except a person who is either a member of such service or is already holding a post borne on the cadre of such service :

Provided that the local Government may appoint a member of the Indian Civil Service to the post of Inspector-General of Police or to the post of Director of Agriculture.

Promotion of Officers of all-India Services.

VIII. The local Government has authority to promote officers of an all-India service to any post borne on the provincial cadre of such service :

Provided that the prior approval of the Governor-General in Council is required to—

- (1) the appointment of officers with less than 25 or 18 years service respectively to the posts of Chief and Superintending Engineers in the province of Assam, and
- (2) appointments except in the provinces of Madras and Bombay to the posts of—
 - (a) Chief Conservator of Forests, and
 - (b) Conservators of Forests,

Transfer of Officers of all-India Services.

IX. The power to transfer officers of an all-India service from any one post to any other post borne on the cadre of such service, or from any one part of the province to any other part, is vested in the local Government, but may be delegated by the Local Government, subject to such conditions as it may prescribe, to any authority subordinate to it, or in the case of officers holding judicial posts, to a High Court or a Chief Court or the Court of a Judicial Commissioner.

Authority of Local Government over Officers of all-India Services.

X. A Local Government may for good and sufficient reasons—

- (1) censure,
- (2) reduce to a lower post,
- (3) withhold promotion from, or
- (4) suspend from his office

any officer of an all-India service :

Provided that no head of a department appointed with the approval of the Governor-General in Council shall be reduced to any lower post without the sanction of the Governor-General in Council.

Military Officers in Civil Employ.

XI. A military officer may not be reverted from his civil employment except under the orders of the Governor-General in Council.

Special Contracts.

XII. The sanction of the Secretary of State in Council is required to any terms in a special contract, by which any right, privilege or concession not admissible under these rules is secured to an Officer.

Authority of Local Governments over Officers of Provincial and Subordinate Services, and Officers holding Special Appointments.

XIII. Without prejudice to the provisions of any law for the time being in force, the Local Government may for good and sufficient reasons—

- (1) censure,
- (2) withhold promotion from,
- (3) reduce to a lower post,
- (4) suspend,
- (5) remove, or
- (6) dismiss

any officer holding a post in a provincial or subordinate service or a special appointment.

Procedure in cases of Dismissal, Removal or Reduction.

XIV. Without prejudice to the provisions of the Public Servants Inquiries Act, 1850, in all cases in which the dismissal, removal or reduction of any officer is ordered, the order shall, except when it is based on facts or conclusions established at a judicial trial, or when the officer concerned has absconded with the accusation hanging over him, be preceded by a properly recorded departmental enquiry. At such an enquiry a definite charge in writing shall be framed in respect of each offence and explained to the accused, the evidence in support of it and any evidence which he may adduce in his defence shall be recorded in his presence and his defence shall be taken down in writing. Each of the charges framed shall be discussed and a finding shall be recorded on each charge.

Delegation.

XV. A Local Government may delegate to any subordinate authority, subject to such conditions, if any, as it may prescribe, any of the powers conferred by Rule XIII in regard to officers of the subordinate services :

Provided that every such officer on whom any punishment is inflicted shall be entitled to prefer at least one appeal against such order to such authority as the Local Government may prescribe.

SCHEDULE OF PROVINCIAL SERVICES.

(RULE III.)

MADRAS.

- (1) Madras Civil Service.
- (2) Madras Educational Service.
- (3) Madras Civil Medical Service.
- (4) Madras Police Service.
- (5) Madras Agricultural Service.
- (6) Madras Agricultural Engineering Service.
- (7) Madras Engineering Service.
- (8) Extra Assistant Conservators of Forests.
- (9) District Registrars.
- (10) Gazetted officers of the Jail Department not belonging to the Indian Medical Service.
- (11) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.
- (12) Gazetted officers of the Survey and Land Records Department not belonging to the Indian Civil Service.

- (13) Officers above the rank of Assistant Inspectors in the Salt and Excise Department not belonging to the Indian Civil Service.
- (14) Deputy Superintendents in the Veterinary Department and the Assistant Principal of the Veterinary College.
- (15) Chief Inspector and Inspectors of Factories.
- (16) Assistant Registrars of Co-operative Societies.
- (17) The Chief Boiler Inspector and Boiler Inspectors.

BOMBAY.

- (1) Bombay Civil Service.
- (2) Bombay Educational Service.
- (3) Bombay Civil Medical Service.
- (4) Bombay Police Service, and Superintendents of the Bombay City Police.
- (5) Bombay Agricultural Service, that is, officers of and above the rank of Assistant Professors of the Agricultural College and Divisional Superintendents not being members of an all-India Service.
- (6) Bombay Engineering Service.
- (7) Extra Assistant Conservators of Forests.
- (8) Sub-Registrars of the Bombay City.
- (9) Non-medical Superintendents of Jails.
- (10) Deputy Commissioners not belonging to the Indian Civil Service, Assistant Collectors and Officers of the rank of Senior grade Inspectors recruited by direct appointment of the Bombay Salt and Excise Department.
- (11) Officers of and above the rank of Assistant Professors of the Bombay Civil Veterinary College and Deputy Veterinary Superintendents not being members of an all-India Service.
- (12) Inspectors of Factories, steam boilers and smoke nuisances.
- (13) Officers of and above the rank of Assistant Registrars and Special Auditors of Co-operative Societies.
- (14) Deputy Sanitary Commissioners, Port Health Officers and Bacteriological Officers (including officers in charge of sanitary laboratories) not belonging to the Indian Medical Service.

- (15) Shipping and Deputy Shipping Masters.
- (16) Deputy Political Agents.
- (17) Commissioners and Collectors of Income-tax.
- (18) Bombay Customs Service.

BENGAL.

- (1) Bengal Civil Service.
- (2) Bengal Educational Service.
- (3) Bengal Civil Medical Service.
- (4) Bengal Police Service.
- (5) Bengal Agricultural Service.
- (6) Bengal Engineering Service.
- (7) Bengal Forest Service.
- (8) District Registrars.
- (9) Bengal Excise Service, that is Inspectors, Prosecutors, Superintendents and Deputy Commissioners.
- (10) Bengal Veterinary Service.
- (11) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.
- (12) Bengal Pilot Service.
- (13) Bengal Gardeners' Service.

UNITED PROVINCES.

- (1) United Provinces Civil Service.
- (2) United Provinces Educational Service.
- (3) United Provinces Civil Medical Service.
- (4) United Provinces Police Service.
- (5) United Provinces Engineering Service.
- (6) United Provinces Agricultural Service.
- (7) Extra Deputy Conservators and Extra Assistant Conservators of Forests.
- (8) Inspectors of Registration Offices.
- (9) Assistant Excise Commissioners.

- (10) Deputy Superintendents of the United Provinces Civil Veterinary Department.
- (11) Deputy and Assistant Registrars of Co-operative Societies.
- (12) Sub-Deputy and Assistant Opium Agents.
- (13) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

PUNJAB.

- (1) Punjab Civil Service.
- (2) Punjab Educational Service.
- (3) Punjab Civil Medical Service.
- (4) Punjab Police Service.
- (5) Punjab Agricultural Service.
- (6) Punjab Service of Engineers.
- (7) Punjab Forest Service.
- (8) Punjab Veterinary Service.
- (9) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

BIHAR AND ORISSA.

- (1) Bihar and Orissa Civil Service.
- (2) Bihar and Orissa Educational Service.
- (3) Bihar and Orissa Civil Medical Service.
- (4) Bihar and Orissa Police Service.
- (5) Assistant Directors of Agriculture.
- (6) Bihar and Orissa Engineering Service.
- (7) Bihar and Orissa Forest Service.
- (8) Deputy Superintendents of Jails.
- (9) Superintendents to Excise and Salt.
- (10) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

CENTRAL PROVINCES.

- (1) Central Provinces Civil Service.
- (2) Central Provinces Educational Service.
- (3) Central Provinces Civil Medical Service.
- (4) Central Provinces Police Service.
- (5) Central Provinces Agricultural Service.
- (6) Central Provinces Engineering Service.
- (7) Central Provinces Forest Service.
- (8) Deputy Directors of Land Records.
- (9) The upper cadre of District Excise Officers.
- (10) Deputy Superintendents of the Central Provinces Civil Veterinary Department.
- (11) Collectors of Income-tax.
- (12) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

ASSAM.

- (1) Assam Civil Service.
- (2) Assam Educational Service.
- (3) Assam Civil Medical Service.
- (4) Assam Police Service.
- (5) Assam Agricultural Service.
- (6) Assam Service of Engineers.
- (7) Extra Deputy Conservators and Extra Assistant Conservators of Forests.
- (8) Excise Superintendents.
- (9) Deputy Superintendents, Assam Veterinary Department.
- (10) Deputy Sanitary Commissioners not belonging to the Indian Medical Service.

Extracts from Rules relating to Expenditure by the Government of India on subjects other than Provincial. (Government of India, Finance Department, Resolution No. 1448 E.A., dated 29th September 1922.)

The previous sanction of the Secretary of State in Council is necessary :—

- (1) To the creation of any new or the abolition of any existing permanent post, or to the increase or reduction of the pay drawn by the incumbent of any permanent post, if the post in either case is one which would ordinarily be held by a member of one of the services named in the Schedule, or to the increase or reduction of the cadre of any of those services.

* * * * *

THE SCHEDULE.

- (1) Indian Civil Service.
- (2) Indian Police Service.
- (3) Indian Forest Service.
- (4) Indian Educational Service.
- (5) Indian Agricultural Service.
- (6) Indian Service of Engineers.
- (7) The Imperial Branch of the Civil Veterinary Department.
- (8) Indian Medical Service.
- (9) Imperial Customs Service.
- (10) Indian Audit and Accounts Service.
- (11) Superintendents and Class I of the Survey of India Department.
- (12) The Superior Staff of the Geological Survey of India Department.
- (13) The Superior Telegraph Branch of the Post and Telegraph Department.
- (14) The State Railway Engineering Service.
- (15) The Superior Staff of the Mint and Assay Departments.
- (16) The Archaeological Department.
- (17) Any other service declared by the Secretary of State in Council to be included in this Schedule.

Extract from Rules relating to Expenditure by a Governor-in-Council on reserved provincial subjects. (Government of India, Finance Department, Resolution No. 1449 E.A., dated 29th September 1922).

1. The previous sanction of the Secretary of State in Council is necessary :—

- (1) To the creation of any new or the abolition of any existing permanent post, or to the increase or reduction of the pay drawn by the incumbent of any permanent post, if the post in either case is one which would ordinarily be held by a member of an all-India service, or to the increase or reduction of the cadre of an all-India service.

Extract from Schedule III of the Devolution Rules relating to expenditure by a local Government on transferred subjects.

1. The previous sanction of the Secretary of State in Council is necessary :—

- (1) To the creation of any new or the abolition of any existing permanent post, or to the increase or reduction of the pay attached to any permanent post, if the post in either case is one which would ordinarily be held by a member of an all-India service, or to the increase or reduction of the cadre of an all-India service.

Extract from Instrument of Instructions to Governors.

VII. But in addition to the general responsibilities with which you are, whether by statute or under this Instrument, charged. We do further hereby specially require and charge you :—

* * * *

- (4) to safeguard all members of Our services employed in the said presidency in the legitimate exercise of their functions, and in the enjoyment of all recognised rights and privileges and to see that your Government order all things justly and reasonably in their regard, and that due obedience is paid to all just and reasonable orders and diligence shown in their execution.

No. 7515-274 of the 20th December 1923.

**From the Chamber, to the Chairman of the Royal Commission on the Superior Civil Services in India,
Bombay.**

I am directed to address you on behalf of the Committee of the Bombay Chamber of Commerce in reference to the

original and revised questionnaires issued by the Royal Commission on the Superior Civil Services in India, and forwarded to my Chamber with a request for an expression of its views thereon.

2. I am at the outset, to express the regret of my Committee that owing to the heavy work thrown upon them by the session of the Associated Chambers of Commerce of India and Ceylon held in Bombay at the beginning of the present month, all the arrangements for which lay in their hands, they have been unable to deal with all the points raised in the questionnaires at such length as their importance merits and to say that the general views expressed in the following paragraphs are put forward in the hope that it will at the same time be appreciated that a body of this nature, although unable in this instance to collect and collate data from its members to the extent that it would ordinarily have desired to do, cannot but record the broad opinion held by the majority of its members on so momentous a question, even though such opinion is couched in general terms only. Moreover, my Committee regret that they find it impossible to tender oral evidence.

3. The Bombay Chamber of Commerce represents, in the main, the commercial interests of British merchants in the Bombay Presidency and, that being so, my Committee wish to emphasize the disquietude felt by British Commerce generally in this Presidency that the huge stake which such interests hold in the country is, in the opinion of the latter, indubitably suffering some diminution of security on account of the discontent rife in the superior Civil Services and the consequent resignations of competent officers, the difficulty experienced in obtaining the best type of recruit owing to the prevailing unpopularity of the Services in question and, finally, the effect which general uneasiness as to their future, and material worry as to their present, must inevitably have on the work of the present incumbents.

4. It will not, my Committee feel assured, be denied that the prosperity of India is bound up in the confidence of the world's markets and that such confidence must unquestionably be shaken when Services which have for so long

enjoyed a world-wide reputation for integrity and efficient administration begin to disintegrate. It will, moreover, be remembered in this connection that India has sterling loans outstanding in the London market to the extent of £251,820,000, and my Committee have little hesitation in affirming that the ease with which such loans have been raised is due to the general feeling of confidence held by the British investor as to the conspicuous ability and faithfulness of the members of the Indian Services on whom the multitudinous administrative details of the Government of India devolve.

5. It is now, my Committee desire me to state, a matter of common knowledge both in the East and in the West, that widespread dissatisfaction reigns in the Indian Services with the conditions of service at present obtaining and, taking a broad general view, I am to emphasize the fact that my Committee are sternly convinced that a betterment of the terms under which the members of those Services—and particularly the “security” departments, such as the Police—carry on their duties is called for.

6. In the latter connection I am to state that private firms and companies have increased the emoluments of their employees by from 50 per cent. to 100 per cent. as compared with pre-war scales of pay, owing to the increased cost of living and travelling, and they consider that the plea for similar treatment for the members of the all-India Services cannot be regarded as unreasonable. Furthermore, I am to make the definite statement that under present conditions many cases of real hardship are being imposed on the incumbents of various appointments, mainly in the large towns where genuine attempts to live and keep and educate their families in the social scale expected of their service are being made without success. In this connection I am to refer particularly to the question of passage money which has now become a very real menace to the budget of the average married member of every Service; whether, however, a member is married or single, my Committee desire me to say that they consider that the provision of at least one first class steamer

return fare every four years should form an integral part of the emoluments of the European members of the all-India Services.

7. The introduction of the Reforms, my Committee desire me to point out, has imposed a considerable increase of work and responsibility on the members of all the Services and in consequence of the political atmosphere, yearly becoming more highly charged, created by semi-professional political malcontents, the strain under which their duties are performed and, in many instances, the deliberate campaign of misrepresentation to which they are subjected, are having their inevitable result in the fact that a few years of work under such conditions seriously undermines the health of the officer concerned, and my Committee submit that the position in this regard provides an additional reason why steps should be taken at the earliest possible date to allay all cause for anxiety in regard to the difficulty of "making both ends meet."

8. My Committee view with no misgivings whatever a moderate increase in the proportion of Indians to Europeans in the superior Civil Services, for, I am to say that abundant evidence is available of the acumen and ability of many Indian incumbents. In their opinion, however, the situation in that regard should be allowed to adjust itself automatically inasmuch as once the conditions of pay and service have been improved to the extent that is deserved so will the best type of young Englishman again compete with the best type of young Indian for appointments in what were once the finest Services in the world; moreover the standard of the Entrance Examination set by the Civil Service Commissioners is such that the proportion of young Indians and Europeans will naturally be decided each year by the fact that the successful candidates will be those with the best qualifications and most richly endowed with brains, irrespective of whether they are Indians or Europeans. Until, however, a betterment of terms has been granted my Committee are averse to any increase in the Indianisation of the all-India Services.

9. In conclusion I am to say that my Committee cannot see that there is any possible alternative to the present

system whereby the personnel of the all-India Services is under the control of the Secretary of State in Council so long as at present the British Parliament is wholly and directly responsible for the administration of India and in this connection they cannot refrain from commenting on the general feeling of uneasiness prevalent among the members of the all-India Services in regard to the security of their pensions if and when any change in the government of this country takes place after 1929. If such action is administratively possible my Committee feel that the cause of anxiety in this respect should at least be removed.

Dated the 24th December 1923.

From the Secretary, Royal Commission on the Superior Civil Services, to the Chamber.

I am directed by the Chairman to acknowledge the receipt of your letter No. 2515-274 of December 20th and to say that the same will be placed before the Commissioners.

APPENDIX E-4.

BOMBAY STOCK EXCHANGE ENQUIRY, 1923.

Dated the 6th October 1923.

From the Secretary, Stock Exchange Enquiry Committee, Bombay, to the Chamber.

I enclose herewith a copy of Government Resolution No. 2628, dated 14th September 1923, in the Finance Department constituting a Committee of Enquiry regarding the Native Share and Stock Brokers' Association of Bombay, and I am directed by my Committee to extend to your Chamber a cordial invitation to assist the Committee with your views and suggestions concerning the subject-matter of the Committee's

enquiry. And I have further the honour to invite two representatives of your Chamber to give evidence before the Committee in support of the written representation which, it is hoped, you will make. Further, I am to say that should any member of your Chamber wish to give evidence in his personal capacity, such evidence would be welcomed by the Committee.

2. Sir Wilfrid Atlay is expected to arrive in Bombay on November the 2nd.

GOVERNMENT OF BOMBAY.

FINANCE DEPARTMENT.

Resolution No. 2628.

BOMBAY CASTLE, 14th September 1923.

The Governor of Bombay in Council is pleased to appoint a Committee to enquire into the constitution, government, customs, practices, rules, regulations and methods of business of the Native Share and Stock Brokers' Association of Bombay and to investigate any such complaints of the public and to make any such enquiries with reference to any of the aforesaid matters or any other matter appertaining to the aforesaid Association as the Committee may deem proper and thereafter with a view to protect the investing public against the interested or irregular control of business to formulate such definite proposals for the future constitution, control, direction and regulation of the aforesaid Association as the Committee may deem proper.

2. The Committee will be constituted as follows :—

Sir Wilfrid Atlay..	..	..	..	..	Chairman.
Sir Fazulbhoy Currimbhoy	..	..	..	..	Members.
Sir Purshotamdas Thakurdas	..	..	..	..	
Mr. R. Lindsay	..	..	..	..	
Captain E. V. Sassoon	..	..	..	..	
Mr. Bhulabhai J. Desai	..	..	..	..	
Mr. Pherozeshah M. Dalal	..	..	..	..	Secretary.
Mr. G. Davis, I.C.S.	..	..	..	..	

3. The Committee will assemble in Bombay at such place and time as will hereafter be notified.

4. Any person wishing to give evidence before the Committee or to assist the Committee with information is invited to give, by writing or otherwise, intimation to this effect, within fifteen days of the publication of this notification, to the Secretary, Stock Exchange Enquiry Committee Finance Department Secretariat, Fort, Bombay.

OFFICE OF THE
STOCK EXCHANGE ENQUIRY COMMITTEE,
FINANCE DEPARTMENT, SECRETARIAT.
HEADS OF ENQUIRY.

A list of items which the Committee will, with such other matters as may appear necessary, take into consideration in their enquiry, is appended, and witnesses, if they desire, may utilise this list for their guidance in their written and oral evidence.

1. History of the Association. Aims and objects of the Association. The Association's building.

2. Constitution of the Association.

3. Qualifications of members. Admission of members. Necessity and nature of security. Expulsion and suspension of members. Licensing of brokers. Partnerships.

4. Election of President. Power and authority of President. The officers and staff of the Association.

5. General meetings of the Association. Methods of business at general meetings.

6. Constitution of Committee of Management and of sub-committees. Election of committees. Methods of business of committees.

7. Relations of the Committee of Management (i.e., Board of Directors) to (1) the general body of the Association, and (2) the individual member.

8. Method of passing rules. Desirability of printed rules in English available to the public on payment. Adequacy of the rules. Method of enforcing rules.

9. Division of members into the two classes of jobbers (i.e., dealers and brokers).

10. Clerks authorised and unauthorised. The wearing of badges. The admission of the public.

11. Excessive holidays. Hours of work.

12. The broker and his office. The broker and his client. The buying broker and the selling broker. The broker's method of business, Contract notes, Margins. Commissions.

13. Bombay as a market for securities. The chief varieties of securities dealt in.

14. A cash basis for business. Cash *versus* forward business. Budla business.

15. Blank transfers. Their abolition. A check on gambling. Duties payable on the transfer of shares. Evasion of duties.

16. Fortnightly settlements. The closing of the Exchange for settlement.

17. Corners. Syndicates. Bulls *versus* bears. The power of the Managing Committee to declare a corner and to fix prices. Justification and exercise of this power. Arbitration Committee.

18. The enforcing of bargains and adjustment of disputes. The buying-in-rule. Suspension of buying-in-rule.

19. The breaking of the link.

20. The flotation of companies. New issues and quotations. Admission and removal of scrip from forward list.

21. Fluctuations in shares.

22. The official list and marking of bargains.

23. The Clearing House. Making-up prices. Methods of clearing.

24. Defaulters.

25. Tribunal of Appeal constituted of members of the Association and representatives of commercial bodies before which a member of the public can make complaint with regard to a broker or the Association.

26. Incorporation. Do events in the past make legislation and a charter a necessity. Nature and scope of legislation.

27. Bombay as one of the great markets of the world.

No. 2389-263 of the 15th November 1923.

From the Chamber, to the Secretary, the Stock Exchange Enquiry Committee, Bombay.

I am directed to acknowledge the receipt of your letter, dated the 6th October 1923, and its accompaniment, in which an expression of this Chamber's views on the subject-matter of your Committee's enquiry is invited.

2. In reply I am, at the outset, to submit that, in the opinion of my Committee, the need for a Stock Exchange under a direction commanding the confidence of the entire commercial community is too obvious to require any elaboration on their part and I am therefore to say in this connection merely that it is their considered conviction that the administration of the Bombay Stock Exchange does not at present fulfil the above requirement.

3. It is not, my Committee feel, desirable in this communication to put forward reasons as to why the Bombay Stock Exchange does not command the confidence of the commercial community, and they accordingly desire more especially to confine their remarks to the material drawbacks of the present Share Bazaar system as exemplified in the manner in which the sale or purchase of shares is at present conducted in Bombay and to put forward for your Committee's consideration the more important additions to, and alterations in, the present procedure which they consider essential before the Stock Exchange of this large and important city can be regarded as a safe and uniform channel connecting capital and industry.

4. It will, my Committee feel sure, be instantly admitted that one of the most necessary factors making for the adequacy of any Stock Exchange is that it should be open for business on every day of the year excepting Sundays, the recognized Bank Holidays and such religious festivals as the members of the Exchange may find it necessary and expedient to declare. On the other hand the Bombay Stock Exchange, my Committee venture to assert, has in the past few years been closed on many occasions without sufficient notice and without the vestige of any adequate reason; moreover my Committee are of opinion that the offices of the various Members should be so re-organised as greatly to reduce, if not eliminate, the monthly closing of the Exchange for periods of from three to six days while the settlement is concluded.

5. In the latter connection I am to say that my Committee are convinced that a fortnightly settlement would be in the interests of those chiefly concerned—primarily the investor

—and that they are equally sure that there is no insuperable objection to the adoption of such a course which they feel should be a matter of comparative simplicity and should merely require the co-operation of the members of the Exchange themselves. In any case I am however to repeat that my Committee are unable to appreciate the necessity of closing the Stock Exchange at all during a settlement, whether fortnightly or monthly.

6. With regard to the question of quotations I am to state that in the view of my Committee one of the primary claims to confidence of any Stock Exchange is the conviction with which the members must be able to endow the investor that the quotations issued are those at which business has been actually done and that such quotations faithfully represent the opinion of the commercial community as to the esteem in which various securities are held.

My Committee are constrained to say in this connection that the investor in Bombay has now lost all confidence in the correctness of quotations or as to the genuineness of any rise or fall in the value of a security and they accordingly suggest that an official list of quotations should be issued each evening showing the closing rates of all securities in which transactions have occurred during the day.

7. I am also to set forth the opinion of my Committee that there does not seem to be any very uniform scale of brokerage or uniform contract note enforced, neither is it usually possible according to their information—to trace any transaction, if so desired, through the medium of any record of bargains registered.

8. Moreover my Committee feel very strongly that it should be made impossible to evade stamp duties payable on the price of the share as quoted on the day of the purchase by means of the present very prevalent method whereby Blank Transfers are kept by brokers some times for months until the price may have fallen considerably and a smaller stamp duty can consequently be paid.

9. More than one case has been brought to the notice of my Committee in which the administration of the Stock

Exchange has endeavoured to dictate to companies the dates on which the books of the latter should be closed in order to suit the convenience of the settlement dates of the Stock Exchange and my Committee have been advised of at least one instance in which this has been the occasion for a threat to remove the company from the list of Forward Dealings in the event of the dates suggested by the Committee of the Stock Exchange not being acquiesced in by the company concerned. My Committee submit that such a practice is very improper and they trust that when the Stock Exchange is re-organised in accordance with your Committee's recommendations a repetition of such incidents will no longer be possible.

10. In the light of the foregoing remarks I am to state that, in the opinion of the Committee of the Chamber, for the competent administration of any Stock Exchange the following requirements are essential :—

1. A minimum number of Stock Exchange holidays.
2. No closing during the monthly settlement, and the adoption, if possible, of a fortnightly one.
3. The enforcement of a uniform scale of brokerage and a uniform contract note.
4. A record of all bargains entered into, which shall be open to the inspection of the client or any members of the Exchange.
5. The publication daily of an Official List of Closing Quotations.
6. The adoption and enforcement of regulations prescribing penalties in respect of the retention of Blank Transfers beyond a reasonable period.

11. In conclusion I am to say that my Committee are strongly of opinion that the ideal to be aimed at in the administration of the Bombay Stock Exchange is a Governor

who shall be entirely independent of Bombay business interests and who shall be recruited for a term of years on such a salary (payable by the Stock Exchange) as will secure an incumbent of the highest experience and integrity; and a Board of ten Members, five elected by the Stock Exchange from their members and the other five consisting of a representative of the Banks, representatives of the Indian Chamber of Commerce and the Bombay Chamber of Commerce, a representative of the Bombay Millowners' Association and a representative nominated by the Government of Bombay, who could be actually nominated or not according as to whether the Government of Bombay were satisfied with the administration of the Exchange.

APPENDIX E-5.

CRIMINAL PROCEDURE CODE.

PROPOSED AMENDMENT.

No. 4035-C, dated 14th July 1923.

**From the Government of Bombay, (Home Department)
to the Chamber.**

I am directed to forward herewith a copy of a Resolution of Government in this Department, No. 4035, dated the 27th June 1923, and to request that you will be so good as to move the Chamber of Commerce, in Bombay, to favour Government with their opinion on the question of amending a Criminal Procedure Code in respect of the powers of Presidency Magistrates.

GOVERNMENT OF BOMBAY.

HOME DEPARTMENT.

Resolution No. 4035.

Bombay Castle, 27th June 1923.

Letter from the Government of India in the Home Department, No. F.—188/23-Judicial, dated the 7th/3th June 1923 :—

"I am directed to address His Excellency the Governor in Council to the subject mentioned above. The question recently arose in con-

nection with an amendment proposed to be moved by Mr. K. Ahmad in the Legislative Assembly requiring Presidency Magistrates to record evidence briefly in cases other than those specified in sub-section (i) of clause 94 of the Bill to amend the Code of Criminal Procedure which has since been enacted as section 97 of Act XVIII of 1923. The Honourable Home Member promised that the local Governments and the High Courts concerned would be consulted and on this understanding Mr. Ahmad withdrew his amendment. The report of the proceedings will be found in Reports Volume III, No. 32, pages 2036-2038.

"2. The question has to some extent been considered before. The committee appointed to revise the Code of Criminal Procedure observed in December 1916 that there was no reason why Presidency Magistrates should be entrusted with wider powers than those of ordinary first class magistrates and that the whole question of the powers of Presidency Magistrates required reconsideration. Local Governments were accordingly addressed in the Home Department letter No. 219-C., dated the 12th November 1917. The replies received indicated that there was general opposition to this suggestion and it was not pursued. In view however of the undertaking recently given in the Legislative Assembly, the Government of India now propose to examine the matter further.

"3. In connection with the previous enquiry the following amendments were proposed :—

- (1) To amend section 362 of the Code so as to require a Presidency Magistrate to record a memorandum of the evidence in cases other than those mentioned in section 355 and to make a corresponding amendment in section 356.
- (2). To repeal section 441 which empowers a Presidency Magistrate to supplement his judgment in a case in which the record has been called for by the High Court; and
- (3) To repeal section 200 (b) which leaves it to the discretion of the Presidency Magistrate to examine a complainant on oath or not, and to reduce the examination to writing or not.

The Government of India do not propose to state their views in detail on these proposals, but merely wish to offer a few general observations which may be of assistance to local Governments in the examination of the question.

As regards section 362, I am to invite a reference to section 97 of the Code of Criminal Procedure (Amendment) Act, 1923 (XVIII of 1923). Section 441 does not appear to be open to any strong objection. While it is possible that the discretion to make a subsequent statement allowed by this section might lead the Presidency Magistrates to curtail the statement of reasons which they are required to make

under clause (i) of section 370 of the Code and there may be some reason on this ground for restricting the power of making a subsequent statement under section 441 to cases in which the Presidency Magistrates are not required to record a brief statement of the reasons for conviction under sub-section (i) of section 370, yet in practice the remedy lies with the High Court. The particulars required by section 370 could perhaps in some respects be supplemented on the lines of section 263 but such a change is of doubtful utility.

As regards the last part of proviso (b) to section 200, the Government of India are inclined to think that the section might be amended so as to provide that if the statement of the complainant is not reduced to writing by the Presidency Magistrate, the subject-matter of the complaint shall be so reduced to writing. This course would secure that there was a statement in writing of the complainant in all cases. Finally they are of opinion that there may be some advantage in amending section 411 so as to allow an appeal from a sentence of six months imprisonment passed by the Presidency Magistrate. The change could be effected by altering the words 'exceeding six months' to 'of six months or over.' The point however is in their opinion of no great importance."

"4. These remarks merely refer very briefly to certain suggestions that have been made to revise the procedure in the case of trials before Presidency Magistrates. There are doubtless many other aspects of the problem which local Governments will wish to develop and I am to request that the whole question may be re-examined and that the views of His Excellency the Governor in Council in the matter, after consultation with such judicial and other bodies as the local Government think fit to consult, may be communicated to the Government of India at an early date."

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the High Court, the Advocate General, Bombay, the Solicitor to Government, the Chief Presidency Magistrate, Bombay, the Commissioner of Police, Bombay, the Municipal Corporation for the City of Bombay, the Chamber of Commerce, Bombay, the Indian Merchants' Chamber and Bureau, Bombay, the Bombay Vakils' Association, the Pleaders' Association of Western India, the Incorporated Law Society, Bombay, and the Bombay Bar Association for favour of opinion on the question of amending the Criminal Procedure Code in respect of the powers of Presidency Magistrates.

No. 1988-227 of the 6th September 1923.

From the Chamber to the Government of Bombay
(Home Department).

I have the honour to acknowledge receipt of your letter. No. 4035 C., dated the 14th July 1923, in which you request

my Committee's opinion on the question of amending the Criminal Procedure Code in respect of the powers of Presidency Magistrates and to furnish you herewith with the views of my Committee.

2. From your letter under reply and its accompaniment, namely, Government Resolution No. 4035, dated the 27th June 1923, it would appear that in December 1916 a Committee appointed by the Government of India to revise the Code of Criminal Procedure, observed that there was no reason why Presidency Magistrates should be entrusted with wider powers than those of ordinary first class Magistrates and the following amendments were proposed :—

1. To amend Section 362 of the Code so as to require a Presidency Magistrate to record a Memorandum of the evidence in cases other than those mentioned in Section 355 and to make a corresponding amendment in Section 356.
2. To repeal Section 441 which empowers a Presidency Magistrate to supplement his judgment in a case in which the record has been called for by the High Court; and
3. To repeal Section 200 (b) which leaves it to the discretion of the Presidency Magistrates to examine a complainant on oath or not, and to reduce the examination to writing or not.

It appears that Local Governments were addressed in November 1917 on the subject of the above proposals but the replies received were not in favour of them and the matter was not pursued.

3. My Committee gather that in the course of the consideration of the Bill in the recent Session of the Legislative Assembly, which has since been enacted as the Code of Criminal Procedure (Amendment) Act, XVIII of 1923, an amendment was proposed requiring Presidency Magistrates to record evidence briefly in cases other than those specified in Sub-section (2) of Clause 94 of the Bill, now Section 97 of the Act, i.e. cases "other than those tried by a Presidency Magistrate in which an appeal lies" but upon the Government of India promising that Local Governments and the High Courts concerned would be consulted the amendment was withdrawn.

4. With regard to Section 362 of the Code, the Government of India invite a reference to Section 97 of the Amendment Act of 1923.

As amended by that Section, Section 362 prescribes that the evidence of the witnesses in all appealable cases, *i.e.* cases in which a Presidency Magistrate imposes a fine exceeding Rs. 200 or imprisonment for a term exceeding 6 months, shall be duly recorded by him and that he shall make a memorandum of the substance of the examination of the accused. It is provided, however, that in other cases it shall not be necessary to record the evidence or frame a charge. It would appear, therefore, that having regard to Section 97 of the Amendment Act 1923, the Amendment previously suggested as stated in paragraph 3 (1) of the letter from the Government of India is no longer in point.

5. With regard to the amendment proposed to be moved by Mr. K. Ahmad, there is, in the opinion of my Committee, no advantage to be gained by saddling Presidency Magistrates with the duty of recording the evidence in non-appealable cases. In case of the evidence not being recorded and a memorandum of the substance of the examination of the accused not being made, then unless the Magistrate is content to award a sentence within the non-appealable limit, the proceedings are bad *ab initio*, and the accused is entitled to have his conviction quashed by the High Court, and my Committee think, therefore, that in practice it is fair to assume that only in obviously petty charges, where a fine of a few Rupees, or a short period of simple imprisonment, is likely to meet the case, will a Magistrate fail to record the evidence and make a memorandum of the substance of the examination of the accused.

6. With regard to the proposal to repeal Section 441 of the Code in my Committee's view this Section prescribes not that a Presidency Magistrate may "supplement his judgment" as suggested in Amendment (2) but "may submit with the record a statement setting forth the grounds of his decision or order and any facts which he thinks material to the issue" which is a different thing. Such statement is, in their opinion, intended to be quite distinct from the judg-

ment and the remainder of the record, and may,* in many cases, in their opinion, be of assistance to the High Court. Furthermore, my Committee agree that in any event the remedy lies with the High Court, and they are not in favour of repealing Section 441.

7. With regard to the proposal to repeal Section 200 (b) of the Code, the Government of India are inclined to think that if the statement of the complainant is not reduced to writing by the Presidency Magistrate, the subject-matter of the complaint shall be so reduced to writing and it is possible that an amendment on these lines might be advisable. Otherwise, however, in the opinion of my Committee, the matters referred to in Section 200 (b) are reasonably left to the discretion of a Presidency Magistrate, and they do not advocate its repeal.

8. Finally I am to say that my Committee see no objection to an amendment of Section 441 of the Code as suggested by the Government of India.

APPENDIX E-6.

FORM "G" OF THE INDIAN COMPANIES ACT.

Dated the 27th July 1923.

From Messrs. A. F. Ferguson & Co., Bombay, to the Chamber.

One of our Banking clients has brought to our notice the inadequacy and defectiveness of Form "G" of the Indian Companies Act 1913, and has suggested that your Chamber be approached to move Government in the matter of its early revision.

Form "G" of the Indian Act has evidently been copied almost *en bloc* from Form "C" of the Companies (Consolidation) Act 1908, but it is obvious that what applies to Banking Institutions in England does not necessarily suffice with regard to Banks in India particularly those "mushroom" concerns which have recently sprung up.

A notable difference between the two Acts is that the Indian Act provides in Form "F" a pro forma Balance Sheet which has to be strictly followed, whereas the English Act does not. This Balance Sheet is a very exhaustive statement and it seems to us that where complete detail is required in one document for the protection of Shareholders and the Public, the other document should not err on the side of inadequacy.

We suggest that Form "G" be brought more into line with the general form of Balance Sheet published by Banks throughout India. A reference to their published accounts will show that these more or less harmonise with regard to form and particulars given.

It is very desirable for example that a Bank's "Fixed Deposits" be shown separately from its "Current Accounts," the one liability being demandable at various future dates whereas the other is payable at call. The item in Form "G" viz., "other contracts" under which Fixed Deposits and Current Accounts are usually stated is much too elastic term.

We do not think any Bank in India has a liability on "Notes" by which we understand Bank-notes issued for circulation such as the £5 note of the Bank of England or the different notes of the Scottish Banks.

The classification of Assets in Form "G" appears to us to call for drastic amendment. Provision is not made for showing separately advances secured and unsecured. Cash on hand is not required to be stated.

We have touched briefly on the more apparent deficiencies of the Form but we think we have stated enough to convince you that early revision is desirable.

We shall be glad to learn that your Chamber is prepared to approach Government on the matter.

No. 2089-237 of the 22nd September 1923.

**From the Chamber to the Government of India
(Department of Commerce), Simla.**

I have the honour to address you with regard to Form 8. of the Indian Companies' Act. This Form which appears to have been copied from Form C of the English Companies (Consolidated) Act, 1908, has to be completed twice a year by all Banks registered in India and exhibited by them in a conspicuous place for the information of the public. It is intended that it should provide the constituents of the Bank with clear information as to the securities held by the Bank, its general financial position and the manner in which its business is being conducted. It is quite distinct from Form F, the yearly balance sheet, which has to be shown to shareholders only.

2. It has been recognised for some time past that Form G does not serve the purposes for which it was designed. It is very desirable, my Committee wish to point out, for example, that a Bank's Fixed Deposits be shown separately from its Current Accounts, the one liability being demandable at various future dates whereas the other is payable at call; the item in Form G, *viz.*, "Other Contracts" under which Fixed Deposits and Current Accounts are usually stated is, in my Committee's opinion, too elastic. The classification of Assets in Form G also appears to call for amendment, provision is not made for showing separately Advances Secured and Unsecured; and Cash in hand is not required to be stated. And further, my Committee do not think that any Bank in India has a liability on "Notes" by which they understand Bank-notes issued for circulation, such as the £5 note of the Bank of England or the different notes of the Scottish Banks.

3. These represent briefly, in the opinion of my Committee only the mere apparent deficiencies of Form G, but my Committee think that the drawbacks to the Form as set forth above will convince the Government of India that an early change is desirable.

4. The suggestion I am now to put forward is that Form G should be abolished altogether and that Form F, on which the Balance Sheet is based, should be exhibited to the public if possible twice yearly, but as to the latter my Committee preserve an open mind until it is more apparent as to whether this bi-annual publication of a Balance Sheet can be undertaken by all Companies coming under the Act without undue inconvenience.

5. In the case of a Bank, my Committee consider that the public are entitled to the same information as the shareholders and in conclusion I am to say that the above suggestion has the approval of the Associated Exchange Banks, Bombay and of most of the leading Banks in this city and my Committee trust therefore that the Government of India will give this matter their early and earnest consideration.

No. 2078-237 of the 22nd September 1923.

**From the Chamber to Messrs. A. F. Ferguson & Co.,
Bombay.**

In reply to your letter, dated the 27th July 1923, on the subject of the revision of Form G of the Companies' Act, I am directed to hand you the enclosed copy of a letter on that subject which my Committee have addressed to the Government of India.

No. 4903 of the 1st October 1923.

**From the Government of India (Department of
Commerce), Simla, to the Chamber.**

I am directed to acknowledge the receipt of your letter, No. 2089-237 of 1923, dated the 22nd September 1923 and to say that it has been transferred to the Finance Department for disposal.

No. 806-A. of the 16th October 1923.

**From the Government of India (Finance Department),
Simla, to the Chamber.**

I am directed to acknowledge receipt of your letter No. 2089-237, dated the 22nd September 1923, relating to the publication by Banks of information in Form "G" under Section 136 (1) of the Indian Companies Act, 1913, and to state that the views of your Chamber have been noted and will be taken into consideration if occasion arises to amend the Act.

No. 2249-237 of the 24th October 1923.

**From the Chamber to Messrs. A. F. Ferguson & Co.,
Bombay.**

With reference to my letter No. 2078-237, dated the 22nd September 1923, I am now directed to hand you the enclosed copy of the reply that has been received from the Government of India (No. 806-A, dated the 16th October 1923, Finance Department).

APPENDIX E-7.

INDIAN FACTORIES ACT, 1922.

No. 741-5086-D of the 21st June 1923.

**From the Government of Bombay (General Department),
to the Chamber.**

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 741, dated

the 15th June 1923, regarding the necessity of further amending the Indian^a Factories Act, 1911, and to request that you will be so good as to favour Government with the views of your Chamber not later than the 25th July 1923 on the questions raised by the Government of India in their letter cited in the Government Resolution.

GOVERNMENT OF BOMBAY.

GENERAL DEPARTMENT.

Resolution No. 741.

Bombay Castle, 15th June 1923.

Letter from the Government of India, Department of Industries and Labour, No. L.—1068, dated the 6th June 1923.

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the Honourable the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Commissioner in Sind, the Commissioners of Divisions, the Director of Industries, the Director, Bombay Labour Office, the Remembrancer of Legal Affairs, the Millowners' Associations, Bombay and Ahmedabad, the Indian Merchants' Chamber, Bombay, the Bombay European Textile Association, the Chambers of Commerce, Bombay and Karachi, the Social Service League and the Kamgar Hithawardhak Sabha and they should be requested to favour Government with their remarks on any administrative difficulties that may have been experienced in the operation of the Indian Factories Act and specific suggestions to meet such difficulties. They should be requested to send their replies not later than the 25th of July next.

No. L-1068 of the 6th June 1923.

From the Government of India (Department of Industries and Labour), Simla, to all Local Governments and Administrations.

I am directed to address you on the subject of the administration of the Indian Factories Act, 1911. While the Government of India believe that the introduction of the reforms embodied in Act II of 1922 has been effected on the whole without embarrassment, they are aware

that in some provinces administrative difficulties have been experienced in connection with certain minor details. Some verbal corrections, such as that relating to the definition of "week," in respect of which it was clear that the law did not correctly express the intention of the Legislature, have already been effected by the passing of Act IX of 1923. It is now for consideration whether any amendments of substance are required in the law.

2. Act II of 1922 will have been in operation for a complete year on the 1st of July next, and the Government of India would be obliged if they could be furnished, as soon as possible after that date, with brief notes upon any administrative difficulties that may have been experienced, together with specific suggestions for amendment of the Act, if in the opinion of the Local Government such difficulties cannot otherwise be met. Should the difficulties brought to light be numerous and important, the Government of India are provisionally of opinion that it might be advisable, in the interests of expedition, to hold a conference of Factory Inspectors towards the end of the year with a view to decide the form which any amendments considered necessary should take. This, however, is a matter which can be left over for subsequent settlement.

3. I am, in this connection, to invite the particular attention of the Local Government to the question of rest intervals. The normal arrangement contemplated by the existing provision is that the operatives should have at least one interval of an hour during the day's work. It is possible under the provisions of section 21 (1) (a) (ii), if the employees concerned so desire, to substitute for this hour two periods of half an hour each. The Government of India believe that the intention of the Select Committee on Act II of 1922, who were responsible for this provision, was that, where the employees consented to the arrangement, the two half-hour intervals could be distributed throughout the day in any manner that was found to be convenient, provided that no employee was required to work for more than five hours at a stretch. But the Government of India understand that a strict interpretation of the wording of the Act does not permit of this latitude, and that it is necessary, in order to comply with the provisions of the section, that the employees should have enjoyed intervals amounting to at least an hour in the aggregate before the seventh hour of work has commenced, *e.g.*, a system by which the employees worked for periods of three hours, four hours and three hours separated by two half-hour intervals would not comply with the requirements of the Act. It would therefore appear desirable that the Act should be amended in such a manner as to restore what the Government of India believe to have been the intention of the Legislature.

4. A more important question which arises in this connection concerns the actual length of the interval or intervals prescribed. The

Government of India understand that the enforcement of the longer interval introduced by Act II of 1922 has been attended with difficulty in certain industries, and it is stated that in some factories the employees themselves have been opposed to its introduction. Where the workers live at some distance from their work and do not desire or are unable to obtain a meal in the middle of the day, the effect of the longer interval has been to reduce the hours of leisure which they can spend at their homes. On the other hand, it appears that in the great majority of factories the new provisions have been introduced without difficulty and have been welcomed by the workers. I am to say that the Government of India are reluctant to interfere with the law as it stands at present. They doubt whether it is possible for a worker to maintain sustained work for 10 hours daily without intervals of rest amounting to at least an hour. They believe that the longer interval is desirable in order to enable the worker to maintain his vigour, and that its enforcement should ultimately prove beneficial to the employer. There are grounds for believing that the absence of sustained work, characteristic of many factory employees in this country, has been due, in part at least, to the fact that the hours fixed did not in the past allow sufficient opportunity for the rest necessary to prevent fatigue. Moreover, the amendment of section 21 of the Act was passed into law without opposition from any section of the general community or in either Chamber of the Legislature, and the Government of India consider that very strong reasons should be adduced before the Legislature is asked to modify provisions which it has so recently affirmed.

5. In consenting to reopen the question, however, the Government of India have been largely influenced by an additional consideration. They observe that, where objections have been raised to the introduction of the new provision, they have generally come from factories or industries in which the working day is comparatively short. It must be admitted that, where the daily hours of work do not exceed 8 or $8\frac{1}{2}$, the need for so long an interval as an hour is not so great as in factories which work, 10 hours a day. Further, the Government of India are anxious to encourage those employers who are considering the reduction of hours of work, and it is possible that if a concession in the matter of the interval of rest would lead to a further reduction of the hours of work, such a concession might be in the interests of all concerned. It has been suggested to the Government of India that a possible amendment would be to provide that, where men are worked not more than $8\frac{1}{2}$ hours a day instead of 10 hours, which is the normal average length permitted by the Act, the interval of rest may be reduced to half an hour either by a specific provision to that effect in the Act itself or by the grant of permissive power to the Local Government to effect the reduction. An additional provision might also, if considered necessary, be imposed to the effect that such a reduction should only be permitted by the Local Government at the request of the majority of the workers concerned.

6. Any such reduction should, in any case, in the opinion of the Government of India, apply only to adult male workers. The Indian Factories Act, 1891, provided that women working for 11 hours a day should have an interval or intervals aggregating at least $1\frac{1}{2}$ hours, and that where the day was reduced the intervals might be reduced proportionately. The Act of 1911 took a somewhat retrograde step in reducing the interval for women to half an hour, and the Act of 1922, while giving more protection, does not go so far as the Act of 1891. The Government of India are not prepared at the present time to reopen the question of the rest interval for women. They feel that, while in the case of men it might be argued that certain industries are not yet prepared for the enforcement of an hour's interval, such a consideration is not relevant to the application to female labour of a provision which is less stringent than the provision that was in force between 1892 and 1912.

7. Section 43A of the Act was designed to encourage Courts to utilize fines to provide compensation for injuries by accident to factory workers. The Workmen's Compensation Act, 1923, which has now been passed makes special provision for compensation to factory workers employed in factories which come under the definition in section 3 (a) of the Act. So far, therefore, as workers in these factories are concerned, it would appear to be undesirable that Courts should use the powers conferred by section 43A after the Workmen's Compensation Act has come into effect. The Government of India would be glad to know whether in the opinion of the Local Governments the section should be amended and retained for the benefit of workers employed in factories notified under section 3 (b) of the Act, or whether, in view of the provisions of section 545 of the Criminal Procedure Code, it should be repealed.

8. I am to request that a reply may be sent to this letter not later than the 1st of October 1923.

No. 1696-220 of the 18th July 1923.

**From the Chamber to the Government of Bombay
(General Department).**

Amendment of the Indian Factories Act.

I have the honour to acknowledge the receipt of your letter, No. 741-5086-D, dated the 21st June 1923, and its accompaniments, on the subject noted above and to reply as follows.

2. In paragraph 2 of the letter, No. L-1068, dated the 6th June 1923, from the Government of India, which forms an accompaniment to your letter, it is stated that the Government of India desire to be furnished with notes upon any administrative difficulties that may have been experienced in the working of the Factories Act, together with specific suggestions for its amendment. It is also stated that should many and important difficulties be brought to light, the Government of India are of opinion that it may be advisable to hold a conference of Factory Inspectors towards the end of this year with a view to decide the form which any amendments considered necessary should take.

3. My Committee are of the opinion that on the whole the Factories Act has worked satisfactorily during recent years, and there are no administrative difficulties that they wish to mention at the present moment. They think, in fact, that, at the present time the Act, as amended in 1922, has not been working long enough for a general revision to take place and they would suggest that you recommend the Government of India to postpone the proposed conference of Factory Inspectors for at least one year. And whenever it is held, my Committee are strongly of opinion that representatives of firms and factory owners with practical experience of the working of the Act should be invited to attend.

4. With regard to paragraph 3 of the letter from the Government of India, it is my Committee's opinion that the substitution of two half-hour intervals of rest during the day's work in place of one interval of one hour should be optional only. In very many places both the employees and the employers are better suited by only one interruption of the work, and often a half-hour interval is not long enough for an employee who desires to leave his place of employment during the rest period.

5. In paragraph 5 of the letter from the Government of India it is suggested that where men work for not more than $8\frac{1}{2}$ hours a day, the interval of rest might be reduced from one hour to half an hour. My Committee understand that the purpose of this suggested concession is to reduce the hours

during which a man is at his mill or factory. It is further suggested that such a reduction of the rest interval should be permitted by the local Government only at the request of the majority of the workers concerned. I am to say that my Committee approve of this proposal, provided that the reduction of the rest interval can only take place at the request of the majority of the workers concerned as suggested by Government.

6. In conclusion I am to refer to paragraph 7 of the Government of India's letter in which opinion is invited as to whether Section 43 A of the Act should be modified or repealed. This section was designed to encourage Courts to utilise fines to provide compensation for injuries by accident to factory workers, and in my Committee's opinion, it could well be repealed as soon as the Workmen's Compensation Act comes into force.

APPENDIX E-8.

INTERNATIONAL LABOUR CONFERENCE.

ORGANISATION OF FACTORY INSPECTION.

GOVERNMENT OF INDIA.

Department of Industries and Labour.

Dated Simla, the 8th May 1923.

Press Communique.

The Government of India have been informed that the fifth Session of the International Labour Conference will open at Geneva on 18th October 1923; it is expected to last for about a week. The only item on the agenda relates to the general principles for the organisation of Factory Inspection.

2. Each State should be represented by four Delegates of whom two will be Government Representatives, one a Representative of the Employers, and one a Representative of Labour. The right of

nominating all the delegates rests with the Government of India, but in selecting the Delegates for Employers and Labour, the Government of India will attach due importance to the recommendations made by organised representative Associations of Employers and employed.

3. All suggestions as to the nomination of non-Government Delegates should reach the Secretary to the Government of India in the Department of Industries and Labour at the earliest possible date, and in any case, not later than 30th June 1923, in order to enable Government to make the selections, to report them to the International Labour Office and to make adequate arrangements for the journey of the Delegates. The Government of India will pay travelling expenses for all Delegates finally nominated, whether they represent Government or not.

GOVERNMENT OF INDIA.

Department of Industries and Labour.

No. L-1136. Dated Simla, the 13th August 1923.

Resolution.

In pursuance of Article 389 of the Treaty of Versailles, the Government of India hereby nominate the following officials and non-officials to represent the Government of India, the employers and the workers, respectively, at the meeting of the International Labour Conference to be held at Geneva commencing on the 22nd October 1923 :—

(1) *To represent the Government of India.*

Delegates.

D. M. Dalal, Esquire, C.I.E.,
High Commissioner for India.
Sir L. J. Kershaw, K.C.S.I., C.I.E.,
Secretary, Industries and Overseas Department, India Office,
London.

Adviser.

A. G. Clow, Esquire, F.S.S., I.C.S.,
Under-Secretary to the Government of India,
in the Department of Industries and Labour.

(2) *To represent the Employers.*

J. A. Kay, Esquire,
Chairman, Millowners' Association, Bombay.

(3) *To represent the Workers.*

K. C. Roy Chowdhury, Esquire,
Member, Bengal Legislative Council.

2. The Delegate of the employers has been nominated on the recommendation of the Millowners' Association, Bombay.

3. The Workers' delegate has been nominated on the recommendations of a large number of Labour Unions and Associations.

4. The Conference will be brief, being only expected to last for one week and the only item on the agenda relates to the general principles for the organisation of factory inspection. In view of the consideration that the Delegates nominated to represent the Employers and Workers are acquainted with conditions in Indian factories, the Government of India have decided that the appointment of technical Advisers to accompany them is not necessary.

No. 2064/251 of 20th September 1923.

**From the Chamber to Mr. J. A. Kay, c/o Messrs. W. H.
Brady & Co., Ltd., 16, John Dalton Street,
Manchester.**

Mr. C. B. Sayer has informed my Committee that you have very kindly requested him to communicate to you any views that they may care to put forward at the International Labour Conference which is to be held at Geneva during October and at which you will represent the Employers of India. The only item on the agenda, my Committee understand from a Government Communique, relates to the general principles for the organisation of factory inspection.

My Committee, with the assistance of a Special Sub-Committee, have considered this question carefully and they are of the opinion that the general principles for the inspection of factories in India are well and sufficiently laid down in the Indian Factories Act and the rules thereunder.

In conclusion, I am to say that my Committee are very grateful for the trouble you have taken to ascertain their view and for your offer to express them at the Conference.

From Mr. J. A. Kay to the Chamber.

With reference to your letter of the 20th September last I beg to hand you a copy of my Report on the above Conference held at Geneva in October last, which I have submitted to the Bombay Millowners' Association at whose instigation I was appointed the Indian Employers' Representative.

I trust same will be of interest to your Members.

Dated the 30th November 1923.

From Mr. J. A. Kay to the Chairman and Committee of the Bombay Millowners' Association.

I have the honour to report on the fifth session of the above Conference held at Geneva and at which I attended as representative of the Indian Employers, following your nomination, and Government confirmation.

The Conference commenced with its first sitting on Monday, the 22nd October 1923, and concluded on Monday, the 29th October 1923.

Composition of Conference.—Forty-two countries notified the names of the members of their Delegations, but only 38 of them actually communicated the necessary credentials. The Conference was therefore composed of 74 Government Delegates, 24 Employers' Delegates and 24 Workers' Delegates—a total of 122 Delegates. In addition there were 37 Government advisers, 14 Employers' advisers, and 19 Workers' advisers—a total of 70 advisers.

Indian Delegation.—This was composed of Sir J. L. Kershaw, K.C.S.I., C.I.E., and Mr. A. G. Clow, I. C. S. (the latter in place of Mr. D. M. Dalal, C.I.E.), representing the Government, myself representing the Employers and Mr. K. G. C. Roy Chowdhury, M.L.C., representing the Workers.

Incomplete Delegations.—Some dissatisfaction was expressed at the number of incomplete delegations particularly by the Workers' Group. Article 389 of the Treaty of Peace stipulates that each State or member shall be represented by two Government Delegates, one

Employers' Delegate and one Workers' Delegate—four in all. At this Conference 17 Delegations were incomplete, due to various reasons such as, Governments effecting economy; refusals of representative organisations to come to an agreement; absence of organisations representing either employers or workers, etc., etc. The matter is obviously one of considerable importance for, as will be seen from the afore-mentioned number of Delegates on a vote. Employers and workers combined would be easily in the minority.

Disputed Credentials.—Protests were made against the credentials of the Workers' Delegates for Italy, India, Japan and Spain, but finally the Conference accepted the various representatives after the credentials had been examined by a special committee appointed for that purpose.

In the case of Mr. K. C. Roy Chowdhury, the Indian Workers' Representative, protests had been sent direct to the International Labour Office by the Bengal Trades Union Federation; Bombay Central Labour Board; All India Trade Union Congress; and Marshadabad District Rayats' Association.

The Indian Government explained the procedure they had followed viz., by making a public announcement to all workers' organisations in India and asking them to express their opinion upon the choice of workers' delegate and then selecting from the list of candidates the gentleman who appeared to them to be best qualified as a Trade Unionist.

The Conference accepted this explanation without dispute.

Business of the Conference.—The chief items on the Agenda were (1) General principles for the organisation of Factory inspection, (2) Adoption of the Directors' Report and (3) Resolution by Swiss Workers regarding safety of Railway workers and the use of automatic coupling on all rolling stock, etc.

The first item therefore was the only one of any vital importance before the House.

General Principles of the Organisation of Factory Inspection.—The Treaty of Versailles lays down the principle that each country should institute a system of Factory inspection as one of those the application of which is of the greatest importance for the regulation of conditions of labour and also makes its adoption a condition of the effective application of all the other principles set forth in Part XIII.

Article 427 provides "*inter alia*" that:—"Each State should make provision for a system of inspection in which women should take part in order to ensure the employment of the laws and regulations for the protection of the employed," and goes on to state that the principles

mentioned in this article "if adopted by the industrial communities who are members of the League and safeguarded in practice by an adequate system of such inspection" would confer lasting benefits upon the wage-earners of the world.

I would point out however that this same article states that "the high contracting parties recognise that difference of climate, habits and customs of economic opportunity and industrial traditions make strict uniformity in the conditions of labour difficult of immediate attainment" etc. In these circumstances therefore, the International Labour office had to examine this question, and more so as the attention of the Governing Body had been drawn from time to time to the desirability of co-ordinating the work of factory inspection services in the different countries in order to ensure the satisfactory applications of conventions adopted by the Conference.

In approaching this subject, the Governing Body did not intend that the Conference should lay down strict rules for the organisation and working of factory inspection services in each country but that from the rules, methods and practice in countries which already have factory inspection services certain fundamental principles might be deduced for effectively organising means of supervising the enforcement of labour legislation and that if principles could be indicated by the Conference, a stricter and more effective application of conventions might be secured, and one of the most important arguments in favour of international regulation, *viz.*: regarding the suppression of unfair competition might be still further strengthened. Likewise, in regard to those states recently constituted or re-constituted which have to re-organise their factory inspection service or create an entirely new one, it was felt that any decision which might be arrived at would be of considerable help in assisting them in the development or improvement of these services as a result of any findings the Conference would arrive at based on the experience of older industrial countries which have long possessed advanced legislation and corresponding inspection services.

Obviously owing to variety of administrative practice, judicial procedure, industrial development, and customs of different countries, it is difficult to deal with this question in the rigid form of a definite proposal but on the other hand it was felt that some broad principles might be agreed upon, and with a view to ascertaining the views of all the various countries concerned the Labour Office addressed to Government a Questionnaire divided into three parts, *viz.*:

1. Object and scope of Factory inspection,
2. Nature of the functions and powers of Factory Inspectors,
3. Organisation of Factory inspection,

and in addition submitted a preliminary question asking whether it was desirable to indicate common principles for enforcing laws

regulating conditions of labour in the different forms of economic activity. This preliminary matter arose owing to the French expression "inspection du travail" having a more general significance than the English expression "Factory inspection," the former applying to workers in different forms of economic activity which as understood by the English formula principles only apply for the protection of workers in industry, or even in manufacturing industry only.

The replies of the various Governments throw considerable light on the progress and methods of factory legislation in relation to each country concerned and are contained in the Booklet "Report on General Principles of the Organisation of Factory Inspection," and copy of which I forward for perusal and record.

The Questionnaire I think is of such importance that I now submit it in detail, and I append the Government of India replies which on the whole I think we might consider very satisfactory and meet the case from the point of view of Indian employees, though quite a number of points could not receive our support.

Preliminary Question.

Do you consider it desirable to indicate common principles for the supervision of the enforcement of the laws regulating conditions of labour in the different forms of economic activity? Or do you consider that special methods and particular principles for the supervision of labour laws are required for the different forms of activity?

The reply of the Indian Government is as follows:—

The Government of India consider that special methods are required for the supervision of labour laws for different forms of activity. Considerations which govern the organisation of a system of factory inspection are different from those applicable to inspection services for other forms of employment.

1.—OBJECT OF FACTORY INSPECTION.

(A) Do you consider that the work of factory inspection should be restricted to the supervision of the enforcement of the laws regulating conditions of labour?

(B) What classes of labour laws do you consider should be brought under the supervision of factory inspection?

(C) Do you consider it advisable to give Factory inspection officials other work?

In particular do you consider it advisable, as has been done in some States, to give factory inspectors additional work of the following nature?

1. Technical supervision of functions of industrial police as regards new buildings, alterations, etc., protection of the public against the dangerous, unhealthy or harmful effects of certain industrial establishments, supervision of the construction or testing of steam boilers, etc.
2. Intervention in social questions (industrial disputes, collaboration with employment exchanges social insurance institutions, workers' welfare work, etc.)

The reply of the Indian Government is as follows:—

A. Factory inspection should be mainly and primarily directed towards the enforcement of factory laws. If Factory Inspectors are permitted or authorised to undertake any other duties, great care must be taken to see that these duties do not interfere with their efficiency either by weakening their authority in respect of factory inspection or by encroaching upon the time which they can devote to it.

B. Factory laws only.

C. It is inadvisable to give Factory inspection officials other work of any other important nature where this can be avoided. Where factories are few and spread over a very large area, there are occasionally advantages in combining factory inspection with other work and thereby restricting the range over which each factory inspector has to travel but the ideal to be arrived at is that the Factory Inspector's work should be confined to factory inspection.

(1) The actual supervision of the erection of buildings is best left to special authorities, but the factory inspector's advice may prove of great value and he should not be precluded from assisting. The same applies to the protection of the public against danger from certain industrial establishments. The construction and testing of steam boilers requires special qualifications. Further, if a steam boiler in a factory is to be tested, notice has to be given and the factory has to be stopped. It is difficult, and not generally suitable, for boiler inspection and factory inspection to be combined.

(2) It is undesirable that factory inspectors should intervene in industrial disputes or undertake other work of the type specified. They should, however, be competent to advise employers on welfare work when their advice is required.

II.—NATURE OF THE FUNCTIONS AND POWERS OF FACTORY INSPECTORS.

A. Right of entry—

- (1) In what way do you consider that the right of inspectors to enter establishments under their supervision by day and night should be laid down and defined?

- (2) Do you consider it advisable to affirm the principle that factory inspectors should be bound not to disclose manufacturing secrets and working processes in general which may come to their notice in the course of their work ?

B. Judicial powers.—

Do you consider that after an infringement of the law has been ascertained the inspector should only be authorised to submit a simple statement of fact to other authorities competent to take proceedings ?

Or do you consider that inspectors should be authorised to prosecute before the Courts of Law ?

C. Administrative powers—

- (1). Do you consider that the laws and regulations concerning conditions of labour should authorise the inspectors themselves to issue orders in given cases ?

To what cases do you consider this power should be restricted (*e.g.* safety) ?

- (2). Do you consider that such orders should take the form of—

- (a) warnings or summonses against which an appeal to other administrative authorities may be allowed or not but which are in any case subject to examination by the Courts of Law, or
- (b) orders on which appeal to other administrative authorities may be allowed or not but non-observance of which is considered as an infringement of the law and regulations?
- (3). Do you consider that factory inspectors should be authorised to grant exceptions for which provision is made in the laws regulating conditions of labour ?

How do you consider this power should be restricted ?

D. Moral and Social Aspect of Inspectors' duties—

Do you consider it desirable to insert in a Recommendation some indications as to the general conception of the functions of the factory inspector ? In particular, do you consider it desirable to define how the inspector may assist in the improvement of the laws ? What should be his duties in inquiries into accidents ? How can he assist in preventing accidents ?

E. Reports—

Do you consider it desirable that factory inspectors should regularly submit reports on the results of their work ?

In this connection, do you consider it desirable that the Conference should recommend the different Governments to give these reports a form which would render them easily comparable internationally?

The reply of the Indian Government is as follows :—

A. (1) Inspectors should be empowered by law to enter any establishment under their supervision at any hour of the day or night. They should have the right to question any employees of the establishment or other persons and to inspect any books or registers which the law requires to be kept.

(2) The reply is in the affirmative.

B. The method to be adopted will naturally depend upon the criminal law of the country concerned, in India the inspectors are authorised to institute prosecutions by complaint to the court having jurisdiction. They can also sanction the institution of proceedings on complaints by other persons. The Government of India consider that this method is the most suitable one for India, but they are not prepared to lay down any general principles.

C. (1) The reply is in the affirmative. Such orders should be restricted to cases of danger to health or safety.

(2) (a) & (b). The order should have the force of law until it is repealed or suspended by an appellate authority. An appeal should lie against all such orders and the appellate authority should have the power to suspend the operation of the order pending its decision if it sees good ground for so doing.

(3) Not as a general rule. The power to grant exemptions should be reserved to Government or the Department responsible for administering the law. In purely minor matters of detail there may be no objection to their delegating the power to inspectors.

D. There is no objection to some indications being embodied in the recommendations. But it should be no part of the inspector's duty to assist in the improvement of the laws except in an advisory capacity and it is not necessary to refer to this question in the recommendation.

On the other hand, enquiry into any prevention of accidents is a very important part of the inspector's functions. He should direct his enquiries towards ascertaining the cause of accident with a view to their prevention by issue of suitable orders, e.g. orders prescribing safety guards, interdicting the use of certain machinery, etc.

E. Regular reports on the factory inspection work in each area should be submitted at intervals not exceeding one year. In the opinion of the Government of India it is not possible to reduce these reports to a common form for international use. The form which the report takes depends directly on the statutory laws and regulations in force

in the countries concerned and, without uniformity in these, uniformity in the report is impossible to achieve. In respect of a few details such as the number of inspections effected and the number of accidents it might be possible to obtain a common basis.

III.—ORGANISATION OF FACTORY INSPECTION.

A. If it is considered that the general principles of factory inspection holds good for all forms of activity, do you consider it desirable to organise a single inspectorate for the supervision of all classes of establishments coming within the scope of the laws regulating conditions of labour and for the enforcement of all these laws?

B. Do you consider it is desirable to organise special independent services for certain classes of establishments (industrial establishments, mines, agricultural undertakings, commercial establishments, mercantile marine, railway, State industrial establishments, establishments connected with national defence)?

C. Do you consider it desirable that special inspectors should be entrusted with the application of certain provisions of the law which are of a technical character (*e.g.* hygiene, electrical installations, etc.)?

Where such special officials may exist what in your opinion should be their relations with the general inspection service?

D. What should be the general rules for the organisation of the Factory Inspectorate?

- (1) By what Government Department should the Inspectorate be administered?
- (2) Do you consider it is desirable to put the staff of inspectors directly under the central administration, or to institute one or more intermediate grades?

In the second case, what should be the distribution of functions between the different grades?

E. What rules and methods do you consider the best for the recruitment and training of factory inspectors?

F. How do you consider women should be employed as factory inspectors?

- (a) On exactly the same conditions as men?
- (b) Should they inspect all establishments employing women? or
- (c) Should they be detailed to deal with particular classes of establishments?

G. Do you consider that representatives of the workers may be called upon to take part in the supervision of the enforcement of the laws regulating conditions of labour?

If so, what methods do you consider the most appropriate to secure their collaboration?

H. Do you consider it advisable that the ordinary police authorities and local authorities should collaborate with the factory inspectors?

The reply of the Indian Government is as follows :—

A. The reply is in the negative. Factory inspection is work which demands high technical qualifications. It is impossible to expect a factory inspector to undertake such work as the inspection of mines, the supervision of safety regulations for shipping or the administration of workmen's compensation. In addition, there are in some countries constitutional difficulties in the way. For example, in India the general administration of the Mines Act rests with the Central Government and the Mines Inspectors are subordinate to it. But the general administration of the Factories Act is provincial and the factory inspectors are subordinate to the provincial Governments.

B. See above. Factory inspection should be kept distinct from the other questions mentioned. At the same time, state industrial establishments should be subjected to the same supervision as private industrial establishments wherever possible.

C. There is no objection to work of the type specified being entrusted to special officials, who should be able to invoke the co-operation of the factory inspectors when necessary. It does not seem desirable to lay down any general rules on the relation between such special officials and the general inspection service.

D. (1) No general rules can be laid down. This will depend on the details of the administration in different countries.

(2). The staff of inspectors should be subject to the supervision of an official who is himself a qualified factory inspector, and he should be responsible to the administration for the work of the staff.

E. Here again no general principles can be formulated. It is desirable that factory inspectors should have a certain amount of training in engineering and the principles of industrial hygiene and should be well acquainted with the technical processes employed in the factories which they will have to inspect. They should also have made a special study of the laws with which they are concerned and their application in the Courts. They should be of a sufficiently high status and education as to ensure the confidence of both employers and workers.

F. It is desirable that women should be employed as factory inspectors to inspect factories which employ women or children in large numbers. The Government of India are inclined to the view that in the present conditions of India women inspectors should be employed as assistants only in the application of the law for the protection of women workers, but their experience of the subject is not such as to justify them in suggesting any general conclusions.

G. The co-operation of both employers and employed in enforcing the operation of factory laws is eminently desirable. Workers should be encouraged to point out any abuses and to suggest any improvements in the matter of health and safety which they may consider desirable but it is probably undesirable that they should be permitted to take a direct part in the supervision of the enforcement of the law.

H. The reply is in the affirmative. Where the factory inspector has to deal with a large area, local officers can frequently supplement his work with advantage.

In the replies received from the various Governments there was a strong feeling in certain quarters that it was very undesirable to try to apply general principles in relation to those special problems raised by inspection of mines, railways, mercantile marine, etc. etc., and in a lesser degree to agriculture which naturally calls for special legislation and supervision according to circumstances, but leaving these matters apart and in order to avoid any waste of time in preliminary discussion the Labour office have submitted a draft recommendation based as broadly as possible on the replies received from the various Governments. This Draft was as follows :—

The General Conference of the International Labour Organisation—Considering that the Treaty of Versailles and the other Treaties of Peace include among the methods and principles of special and urgent importance for the physical, moral and intellectual welfare of the workers the principle that each State should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the employed;

Considering that the resolutions adopted at the first Session of the International Labour Conference concerning certain special countries imply that these countries should create, if they do not yet possess, an inspection system;

Considering that the necessity of organising a system of inspection may become specially urgent when Conventions adopted at previous Sessions of the Conference are ratified by Members of the Organisation and put into force ;

Considering that, while the institution of an inspection system is undoubtedly to be recommended as one of the most effective means of ensuring the enforcement of Conventions, each Member is solely responsible for the execution of Conventions to which it is a party in the territory within its jurisdiction and must accordingly itself determine in accordance with local conditions what measures of supervision may enable it to assume such a responsibility ;

Considering that, in order to put the experience already gained at the disposal of the Members with a view to assisting them in the in-

stitution or re-organisation of their inspection system, it is desirable to indicate the general principles which practice shows to be the best calculated to ensure uniform, thorough and effective enforcement of Conventions and more generally of all measures for the protection of the workers; and

Having decided to reserve completely all discussions on the methods of inspection appropriate to the various spheres of activity, notably for mines, railways, maritime navigation and agriculture, and

Taking as a guide the long experience already acquired in factory inspection;

Recommends that each Member of the International Labour Organisation take the following principles and rules into consideration in the organisation of its inspection system:

1.—SPHERE OF INSPECTION.

The General Conference recommends:—

1. That it should be the principal duty of the special inspectorate which should be instituted by each Member to secure the enforcement of the laws and regulations dealing with the regulation of conditions of work and the protection of the workers while engaged in their work (hours of work and rest; night work; prohibition of the employment of certain persons on dangerous, unhealthy or physically unsuitable work; provisions relating to hygiene and safety; legal provisions concerning the fulfilment of the terms of engagement of workers which involve penalties).

2. That, in so far as it may be considered possible and desirable, either for reasons of convenience in the matter of supervision or by reason of the experience which they gain in carrying out their principal duties, to assign to inspectors other duties of a secondary character which may vary according to the conceptions, traditions and customs prevailing in the different countries (*e.g.* approval of plans for building or altering establishment; inspection of steam boilers; supervision of dangerous and unhealthy establishments; co-operation with social insurance authorities; intervention in labour disputes; co-operation with institutions for promoting the welfare of the workers), these duties should nevertheless be so allocated and defined,

- (a) That they may not in any way interfere with the inspector's principal duties and may be readily carried out during their visits of inspection;
- (b) That in themselves they are closely related to the primary object of ensuring the protection and safety of the workers;
- (c) That so far from prejudicing in any way the authority which is necessary to inspectors in their relations with employers and workers they should rather be calculated to increase that authority.

II.—NATURE OF THE FUNCTIONS AND POWERS OF INSPECTORS.

The General Conference recommends :—

1. That inspectors should be empowered by law—

- (a) To visit and inspect at any hour of the day or night places where they may have reasonable cause to believe that persons under the protection of the law are employed, and to enter by day any place which they may have reasonable cause to believe to be an establishment subject to their supervision, and
- (b) To question without witnesses, the staff and any other person belonging to the establishment, and to require to be shown any registers or documents which the laws regulating conditions of work require to be kept.

2. That inspectors should be bound by oath, or by any method which conforms with the administrative practice or customs in each country, not to disclose manufacturing secrets and working processes in general which may come to their knowledge in the course of their duties ;

3. That, regard being had to the judicial systems of each country and subject to such reference to superior authority as may be considered necessary, inspectors should be empowered to bring breaches of the laws which they ascertain directly before the competent judicial authorities ;

4. That inspectors should be empowered to order to be carried out within a fixed time such alterations in the installation or arrangements of workplace or plant as they consider necessary for effectively enforcing the laws and regulations concerning the hygiene and safety of the workers ;

That such orders should have executive force subject to appeal to higher administrative authority, or, in accordance with the practice in some countries, to the Courts of Law ;

That in no circumstances should provisions intended to protect employers against arbitrary action and to ensure uniform enforcement of the law prejudice the taking of measures calculated to prevent imminent danger ;

5. That, in preference to other administrative authorities, the inspectorate should be empowered to grant the temporary exemptions for which provision is made in the laws and regulations dealing with the regulation of work and the protection of the workers, each country being free to determine according to its own customs or the laws concerned the particular officer or officers to whom this power is to be assigned.

Considering, however, that, while it is essential that the inspectorate should be invested with all the legal power necessary for the performance of its duties, it is equally important, in order that inspection may gradually become more effective, that, in accordance with the tendency manifested in the oldest and most experienced industrial countries, inspection should progressively discard its police and repressive character and should be increasingly directed towards securing the adoption of the most suitable methods for preventing accidents and industrial diseases with a view to rendering work less dangerous, more healthy and even less exhausting, by promoting an instructed understanding among the employers and by educating the workers concerned.

The General Conference recommends the following methods as calculated to promote this development in all countries.

6. That inspectors should make enquiries in case of accidents with a view to determining their causes and preventing their recurrence.

7. That inspectors should be encouraged to give employers practical advice on the introduction of hygiene and safety devices and, above all, so to win their confidence that employers may come to rely on their inspectors to give them active co-operation and assistance.

8. That inspectors should be encouraged, specially during their visits of inspection, to promote among employers and workers the spirit of vigilance and caution, without which the best laws for the protection of the workers must always remain partially ineffective (Safety First movement).

9. That inspectors should as far as possible be constantly associated with endeavours to improve the laws for the protection of the workers, by making a regular study of the technical methods of equipping undertakings, by making special investigations into problems of hygiene and safety, or by any other means.

In countries where it is considered preferable to have a special organisation for accident insurance and prevention completely independent of the inspectorate, the Conference recommends that the special officers belonging to such organisation should be guided by the foregoing principles.

III.—ORGANISATION OF INSPECTION.

The General Conference,

Having in mind its decision referred to in the preamble to the present recommendation not to take into consideration the special nature of the inspection services appropriate to the various spheres of economic activity, and

not wishing to take any decision on the question whether inspection should be organised in a single comprehensive service or in separate services for each sphere, as the solution of this question may depend

on the size of each country or on the degree of its industrial development and

in order better to ensure uniformity in the enforcement of the law and regulations dealing with the regulation of work and the protection of the workers;

Recommends the following general principles for the organisation of inspection :—

1. That, whatever differences there may be in administrative practice in this matter, all inspection services should mutually assist each other by an interchange of the results of their experience and should regulate their methods and procedure according to such common principles, as may be considered the most effective :
2. That, if special services exist for supervising the enforcement of certain special technical provisions of the laws (medical inspectors, electrical engineering inspectors), these services should be administratively incorporated with the central inspectorate ;
3. That, if the enforcement of the laws regulating conditions of work in certain establishments or certain classes of undertakings (mines, mercantile marine, railways, etc.), is carried out by the officers responsible for the general supervision of these establishments or undertakings, these officers should, so far as is compatible with administrative practice, be in touch with the central authority administering the general inspectorate.
4. That, wherever it is compatible with administrative practice the services responsible for supervising the laws and regulations delaying with the regulation work and the protection of the workers in the different classes of establishments or undertakings should be under the orders of a single central authority.

5. The General Conference,

Being of opinion that the inspectorate should be completely independent and should be beyond the reach of any outside influences, political or otherwise, which may be an obstacle to it in the carrying out of its duties,

Recommends ;—

- (a) That the inspectorate should be attached to a ministerial Department which has no political functions ;

- (b) That the local inspecting staff should be under the direction or supervision of district inspectors acting as direct intermediaries between the higher authority and the local inspectors and should be independent of the local administrative authorities.

6. Without entering into the detailed measure to be adopted for the recruitment and training of inspectors, the Conference recommends :—

- (a) That, before any other consideration, and on account of the increasing complexity of industrial processes and machinery, technical and general qualifications of a progressively high standard should be required of candidates for posts in the inspectorate ;
- (b) That, on account of their relations with employers as well as with the employed, selected candidates should be capable of acquiring the confidence of both parties and that their character should be such as to give them the necessary standing ;
- (c) That selected candidates should have to undergo a period of probation for the purpose of testing their qualifications and training them in their duties.

7. In conformity with the principle contained in Article 427 of the Treaty of Peace, the Conference recommends that the inspectorate should include women. While it recognises, however, that women inspectors may pay special attention to the protection of women and children or to the promotion of workers' welfare, the Conference commends, for practical reasons as well as in order to ensure a progressively higher standard in the inspectorate, that women inspectors should be employed in exactly the same conditions as men inspectors, having the same functions and the same responsibilities in the different grades, and that they should have equal opportunity of promotion to the higher grades, if they deserve such promotion.

8. Convinced that only by the co-operation of all concerned can real success be obtained for measures for the protection of the workers, and that it is desirable accordingly to facilitate the participation of the workers in the work of inspection and

considering that in some countries or for some classes of establishments the appointment of workers as assistant inspectors, supervisors or delegates has given satisfactory results.

The Conference recommends :—

(a) That workers chosen by their fellow workers or official representatives of workers' organisations should be afforded every facility for freely communicating with the inspectors for the purpose of informing them confidentially of any defect or abuse and suggesting any remedy or improvement desirable ;

(b) That in countries where they have been instituted, workshop representatives or works committees should in this connection make every use of the functions legally assigned to them.

9. The Conference recommends that there should be constant co-operation between the inspectorate and the local authorities for the enforcement of the laws and regulations dealing with the regulation of work and the protection of the workers.

IV.—INSPECTORS' REPORT.

In view of the action taken in some States, and in order to meet certain clear and defined needs in international relations,

The General Conference recommends :—

1. That inspectors should regularly submit to their central authority reports framed on uniform lines dealing with their work and its results, and that the said authority should publish an annual report within six months after the end of the year with which it deals, containing a general survey of the information furnished by the inspectors ;

That the calendar year should be uniformly adopted for all these reports.

2. That the annual general report should contain a list of the laws and regulations regulating conditions of work promulgated during the year which it covers,

3. That this annual report should also give statistical tables indicating :—

(a) The strength and organisation of the staff of the inspectorate ;

(b) The number of establishments covered by the laws and regulations, classified by groups of industries and indicating the number of workers employed (men, women, young persons from 16 to 18 years of age, children below 14 and from 14 to 16 years of age) ;

(c) The number of days devoted to visits of inspection ;

- (d) The number of visits of inspection made for each class of establishment with an indication of the number of workers, (men, women, young persons and children) employed in the establishments inspected and the number of establishments inspected more than once during the year ;
- (e) The number and nature of the orders issued by inspectors and executed with a view to preventing accidents or safeguarding the health of the workers ;
- (f) The number and nature of breaches of the laws and regulations brought before the Courts having jurisdiction and the number and nature of the convictions made by the Courts ;
- (g) The number and nature of accidents and occupational diseases notified, tabulated according to class of establishment.

4. The Conference further recommends that inspectors in all countries should each year investigate a subject affecting the hygiene or safety of the workers, selected in advance by the Governing Body of the International Labour Office, and that on the conclusion of these investigations this subject should be studied in the annual inspection reports.

The Conference is of the opinion that, if the general principles indicated in the present recommendations are applied by the States Members in the organisation of their inspection system, the members will be mutually assured of a more thorough and effective execution of the provisions of conventions of the International Labour Organisation, and that their workers will have the benefit of the protection laid down for them.

DRAFT RESOLUTION.

It is clear that in order to give proper effect to paragraphs 1 to 4 of the fourth part of the draft recommendation the action which the Governments are asked to take in these paragraphs should be completed by the necessary complementary action on the part of the International Labour Office. This, of course, cannot be dealt with in the recommendation, which by its very nature can only be addressed to the Governments. It is considered, therefore, that the Conference might be guided by the method followed by it at previous Sessions in similar circumstances and adopt a resolution drafted on the following lines.

The Conference invites the International Labour Office to publish each year on the basis of the annual inspection reports issued in the different countries a general report summarising the results obtained in the different States and to endeavour to secure the largest measure of uniformity possible in the presentation of the reports of the different countries and especially in the compilation of statistical tables, in order to allow of more exact comparison.

From a perusal of this recommendation it will be seen that thought contains many broad principles which could be adopted internationally, it also includes much which could not possibly be accepted by numerous countries where peculiar conditions have necessitated special labour legislation, but it was thought that in order to save time over discussions of much detail, it could be adopted as a basis upon which to work and consequently at the first plenary Session of the Conference—after the appointment of the new president and vice-presidents for the year, the delivery of the Presidential address, etc., the proceedings were opened by a discussion as to whether the draft submitted by the office should be considered and accepted as a basis.

Having gone rather fully over the ground which led up to the questionnaire and Draft Recommendation I do not propose to go over the details and points brought out in the general discussion, as it was finally decided unanimously that the report of the Labour Office be taken as the basis of discussion. The leader of the British Delegation however made a strong request that the subject of accident prevention in Factories and the safety of the worker should receive the consideration of the Conference and this was supported by many other delegates. At the third plenary sitting it was finally decided that five committees be appointed to deal with the points raised in the Draft Recommendation as set out above. These five committees were as follows:—

1. Sphere of inspection.
2. Nature of the functions and powers of Inspectors, paragraphs 1 to 5.
3. Nature of the functions and powers of Inspectors, paragraphs 6 to 9 (including safety first).
4. Organisation of inspection.
5. Inspectors' Reports.

These committees were finally comprised of eight members per group (24 in all—8 each Government, employers and labour) in the cases of No. 1, 2 and 4, and 6 members per group in the case of Nos. 3 and 5 committees. In addition to being appointed to the selection committee I was also selected for committees Nos. 1 and 2, but as all committees apart from the selection committee—sat at the same time I could not attend much of the discussion which took place in committee No. 2.

As was to be expected when the question came to be examined in detail by the various groups it was found that if the final recommendation of the Conference was to be such as to be acceptable by the various members, broad and only broad principles could only be applied and consequently much of the draft had to be cut out and in some case altered considerably.

The Chairman of each committee submitted a full report to the Conference and without going into the somewhat lengthy statements

which were given leading up to the final decisions of the committees I will now give in detail the final findings submitted to the Conference for adoption as a result of the Drafting Committees work compiled from the various committees recommendations :—

Text of Final Draft Recommendation.

The General Conference of the International Labour Organisation of the League of Nations.

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its fifth Session on 22nd October 1923 and

Having decided upon the adoption of certain proposals with regard to the general principles for the organisation of factory inspection, the question forming the agenda of the Session, and having determined that these proposals should take the form of a recommendation

adopts this twenty-ninth day of October of the year one thousand nine hundred and twenty three, the following recommendation to be submitted to the Members of the International Labour Organisation for consideration with a view to effect being given to it by national legislation or otherwise, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding parts of the other Treaties of Peace.

Whereas the Treaty of Versailles and the other Treaties of Peace include among the methods and principles of special and urgent importance for the physical, moral and intellectual welfare of the workers the principle that each state should make provision for a system of inspection in which women should take part in order to ensure the enforcement of the laws and regulations for the protection of the workers.

Whereas the resolutions adopted at the First Session of the International Labour Conference concerning certain countries where special conditions prevail involve the creation by these countries of an inspection system if they do not already possess such a system.

Whereas the necessity of organising a system of inspection becomes specially urgent when conventions adopted at Sessions of the Conference are being ratified by Members of the Organisation and put into force.

Whereas while the institution of an inspection system is undoubtedly to be recommended as one of the most effective means of ensuring the enforcement of conventions and other engagements for the regulation of labour conditions, each member is solely responsible for the execution of conventions to which it is a party in the territory under its

sovereignty or its authority and much accordingly itself determine in accordance with local conditions what measures of supervision may enable it to assume such a responsibility.

Whereas, in order to put the experience already gained at the disposal of the members with a view to assisting them in the institution or reorganisation of their inspection system, it is desirable to indicate the general principles which practice shows to be the best calculated to ensure uniform, through an effective enforcement of conventions and more generally of all measures for the protection of the workers; and

Having decided to leave to each country the determination of how far these general principles should be applied to certain spheres of activity;

And taking as a guide the long experience already acquired in factory inspection;

The General Conference recommends that each Member of the International Labour Organisation should take the following principles and rules into consideration :

I. SPHERE OF INSPECTION.

1. That it should be the principal function of the system of inspection which should be instituted by each member in accordance with the ninth principle of Article 427 of the Treaty of Versailles to secure the enforcement of the laws and regulations relating to the conditions of work and the protection of the workers while engaged in their work hours of work and rest; night work; prohibition of the employment of certain persons on dangerous, unhealthy or physically unsuitable work; health and safety, etc.

2. That, in so far as it may be considered possible and desirable, either for reasons of convenience in the matter of supervision or by reason of the experience which they gain in carrying out their principal duties to assign to inspectors additional duties which may vary according to the conceptions, traditions and customs prevailing in the different countries, such duties may be assigned, provided :

- (a) that they do not in any interfere with the inspectors eight principal duties.
- (b) that in themselves they are closely related to the primary object of ensuring the protection of the health and safety of the workers;
- (c) that they shall not prejudice in any way the authority and impartiality which are necessary to inspectors in their relations with employers and workers.

II. NATURE OF THE FUNCTIONS AND POWERS OF INSPECTORS.

A. General.

3. That inspectors provided with credentials should be empowered by law :—

- (a) to visit and inspect at any hour of the day or night places where they may have reasonable cause to believe that persons under the protection of the law are employed, and to enter by day any place which they may have reasonable cause to believe to be an establishment, or part thereof, subject to their supervision; provided that before leaving, inspectors should, if possible, notify the employer or some representative of the employer of their visit;
- (b) To question, without witnesses, the staff belonging to the establishment and for the purpose of carrying out their duties to apply for information to any other persons whose evidence they may consider necessary, and to require to be shown any registers or documents which the laws regulating conditions of work require to be kept.

That inspectors should be bound by oath or by any method which conforms with the administrative practice or customs in each country, not to disclose, on pain of legal penalties or suitable disciplinary measures, manufacturing secrets, and working processes in general, which may come to their knowledge in the course of their duties.

5. That, regard being had to the administrative and judicial systems of each country, and subject to such reference to superior authority as may be considered necessary, inspectors should be empowered to bring breaches of the laws, which they ascertain, directly before the competent judicial authorities. That in countries where it is not incompatible with their system and principles of law the report drawn up by the inspectors shall be considered to establish the facts stated therein in default of proof to the contrary.

6. That the inspectors should be empowered in cases where immediate action is necessary to bring installation or plant into conformity with laws and regulations, to make an order (or, if that procedure should not be in accordance with the administrative or judicial systems of the country, to apply to the competent authorities for an order) requiring such alterations to installations or plans to be carried out within a fixed time as may be necessary for securing full and exact observance of the laws and regulations regulating to the health and safety of the workers;

That in countries where the inspector's order has executive force of itself, its execution should be suspended only by appeal to a higher administrative or judicial authority, but in no circumstances should provisions intended to protect employers against arbitrary action prejudice the taking of measures with a view to the prevention of imminent danger which has been duly shown to exist.

B. Safety.

7. Having regard to the fact that, while it is essential that the inspectorate should be invested with all the legal powers necessary for the performance of its duties, it is equally important, in order that inspection may progressively become more effective, that, in accordance with the tendency manifested in the oldest and most experienced countries, inspection should be increasingly directed towards securing the adoption of the most suitable safety methods for preventing accidents and diseases with a view to rendering work less dangerous, more healthy and even less exhausting by the intelligent understanding, education, and co-operation of all concerned. It would appear that the following methods are calculated to promote this development in all countries :—

- (a) that all accidents should be notified to the competent authorities and that one of the essential duties of the inspectors should be to investigate accidents, and more especially those of a serious or recurring character, with a view to ascertaining by what measures they can be prevented ;
- (b) that inspectors should inform and advise employers respecting the best standards of health and safety ;
- (c) that inspectors should encourage the collaboration of employers, managing staff and workers for the promotion of personal caution, safety methods, and the perfecting of safety equipment ;
- (d) that inspectors should endeavour to promote the improvement and perfecting of measures of health and safety, by the systematic study of technical methods for the internal equipment of undertakings, by special investigations into problems of health and safety, and by any other means ;
- (e) that in countries where it is considered preferable to have a special organisation for accident insurance and prevention completely independent of the inspectorate, the special officers of such organisations should be guided by the foregoing principles.

III. ORGANISATION OF INSPECTION.

A. Organisation of the Staff.

8. That, in order that the inspectors may be as closely as possible in touch with the establishments which they inspect and with the employers and workers, and in order that as much as possible of the inspectors' time may be devoted to the actual visiting of establishments, they should be localised, when the circumstances of the country permit, in the industrial districts.

9. That, in countries which for the purposes of inspection are divided into districts, in order to secure uniformity in the application of the law as between district and district and to promote to a high standard of efficiency of inspection, the inspectors in the districts should be placed under the general supervision of an inspector of high qualifications and experience ; Where the importance of the industries of the country is such as to require the appointment of more than one supervising inspector the supervising inspectors should meet from time to time to confer on questions arising in the divisions under their control in connection with the application of the law and the improvement of industrial conditions.

10. That the inspectorate should be placed under the direct and exclusive control of a central State authority and should not be under the control of or in any way responsible to any local authority in connection with the execution of any of their duties.

11. That, in view of the difficult scientific and technical questions which arise under the conditions of modern industry in connection with processes involving the use of dangerous materials, the removal of injurious dust and gases, the use of electrical plant and other matters it is essential that experts having competent medical, engineering, electrical or other scientific training and experience should be employed by the State for dealing with such problems.

12. That, in conformity with the principle contained in Article 427 of the Treaty of Peace, the Inspectorate should include women as well as men inspectors ; that, while it is evident that with regard to certain matters and certain classes of work inspection can be more suitably carried out by men as in the case of other matters and other classes of work inspection can be more suitably carried out by women, the women inspectors should in general have the same powers and duties and exercise the same authority as the men inspectors, subject to their having had the necessary training and experience, and should have equal opportunity of promotion to the higher ranks.

B. Qualifications and Training of Inspectors.

13. That, in view of the complexity of modern industrial processes and machinery, of the character of the executive and administrative functions entrusted to the inspectors in connection with the application of the law and of the importance of their relations to employers and workers and employers' and workers' organisations and to the judicial and local authorities, it is essential that the inspectors should in general possess a high standard of technical training and experience, should be persons of good general education, and by their character and ability be capable of acquiring the confidence of all parties.

14. That the inspectorate should be on a permanent basis and should be independent of changes of Government ; that the inspectors should

be given such a status and standard of remuneration as to secure their freedom from any improper external influences and that they should be prohibited from having any interest in any establishment which is placed under their inspection.

15. That inspectors on appointment should undergo a period of probation for the purpose of testing their qualifications and training them in their duties; and that their appointment should be only confirmed at the end of that period if they have shewn themselves fully qualified for the duties of an inspector.

16. That, where countries are divided for the purposes of inspection into districts, and especially where the industries of the country are of a varied character, it is desirable that inspectors, more particularly during the early years of their service, should be transferred from district to district at appropriate intervals in order to obtain a full experience of the work of inspection.

C. Standard and Methods of Inspection.

17. That, as under a system of State inspection the visits of the inspectors to any individual establishment must necessarily be more or less infrequent. It is essential:

- (a) That the principle should be laid down and maintained that the employer and the officials of the establishment are responsible for the observance of the law, and are liable to be proceeded against in the event of deliberate violation of or serious negligence in observing the law, with our previous warning from the inspector.

It is understood that the foregoing principle does not apply in special cases where the law provides that notice shall be given in the first instance to the employers to carry out certain measures.

- (b) That, as a general rule, the visits of the inspectors should be made without any previous notice to the employer.

It is desirable that adequate measures should be taken by the State to ensure that employers, officials and workers are acquainted with the provisions of the law—and the measures to be taken for the protection of the health and safety of the workers, as, for example, by requiring the employer to post in his establishment an abstract of the requirements of the law.

18. That, while it is recognised that very wide difference, exist between the size and importance of one establishment and another, and that there may be special difficulties in countries or areas of a rural character where factories are widely scattered, it is desirable that, as far as possible, every establishment should be visited by an inspector for the purposes of general inspection not less frequently than once a

year, in addition to any special visits that may be made for the purpose of investigating a particular complaint or for other purposes; and that large establishments and establishments of which the management is unsatisfactory from the point of view of the protection of the health and safety of the workers and establishments in which dangerous or unhealthy processes are carried on, should be visited much more frequently.

It is desirable that, when any serious irregularity has been discovered in an establishment, it should be revisited by the inspector at an early date with a view to ascertaining whether the irregularity has been remedied.

D. Co-operation of employers and workers.

19. That it is essential that the workers and their representatives should be afforded every facility for communicating freely with the inspectors as to any defect or breach of the law in the establishment in which they are employed; that every such complaint should as far as possible be investigated promptly by the inspector; that the complaint should be treated as absolutely confidential by the inspector and that no intimation should be given even to the employer or his officials that the visit made for the purpose of investigation is being made in consequence of the receipt of a complaint.

20. That with a view to securing full co-operation of the employers and workers and their respective organisations in promoting a high standard in regard to the conditions affecting the health and safety of the workers, it is desirable that the inspectorate should confer from time to time with the representatives of the employers' and workers' organisations as to the best measures to be taken for this purpose.

IV.—INSPECTORS REPORTS.

21. That inspectors should regularly submit to their central authority reports framed on uniform lines dealing with their work and its results, and that the said authority should publish an annual report as soon as possible and in any case within one year after the end of the year to which it relates, containing a general survey of the information furnished by the inspectors, that the calendar year should be uniformly adopted for these reports.

22. That the annual general report should contain a list of the laws and regulations relating to conditions of work made during the year which it covers.

23. That this annual report should also give the statistical tables necessary in order to provide all information on the organisation and work of the inspectorate and on the results obtained. The information supplied should as far as possible state:

(a) The strength and organisation of the staff of the inspectorates;

- (b) The number of establishments covered by the laws and regulations, classified by industries and indicating the number of workers employed (men, women, young persons, children);
- (c) The number of visits of inspection made for each class of establishment with an indication of the number of workers employed in the establishments inspected (the number of workers being taken to be the number employed at the time of the first visit of the year) and the number of establishments inspected more than once during the year;
- (d) The number and nature of breaches of the law and regulations brought before the competent authorities and the number and nature of the convictions by the competent authority;
- (e) The number, nature and the cause of accidents and occupational diseases notified, tabulated according to class of establishment.

The above recommendation was unanimously accepted by the Conference at its ninth plenary sitting, 104 delegates voting in its favour, and none against.

It will be noticed that considerable changes were made from the Draft submitted by the Labour Office, and it remains to be seen now if all members can and will apply these general principles to which they will now be bound.

I mentioned previously the difficulty which arose between the French expression "Inspection du travail" and the English formula "Factory Inspection" on which considerable discussion took place both in the Governing Body's deliberations and also in the Selection Committee, but it was finally decided—as will be seen above that the preamble to the Draft Recommendation should be very little modified except for the inclusion that it should be left to each country to determine how far these general principles should be applied to certain spheres of activity.

Such being the result of the deliberations of the Conference, I will now explain the difference between Recommendation and Draft Conventions, the ratification and acceptance of which is of such vital importance if the work of International Labour Office is to become effective.

Article 405, Part XIII (Labour) of the Treaty of Versailles of 28th June 1919 stipulates that the Conference in adopting proposals shall determine whether same should take the form of—

- (a) a recommendation to be submitted to the Members for consideration with a view to effect being given to it by national legislation or otherwise, or

- (b) of a draft international convention for ratification by the Members, and that in either case a majority of two-thirds of the votes cast by the Delegates present shall be necessary on the final vote for the adoption of a recommendation or draft convention, as the case may be. It goes on further to state *inter alia* that each member shall, if possible, within one year from the closing of the session of the Conference bring the recommendation or draft convention before the authorities for the enactment of legislation or other action and in the case of a recommendation, the Members will inform the Labour Office of the action taken, whilst in the case of a draft convention, communicate the formal ratification of the convention to the Secretary General and will take such action as may be necessary to make effective the provisions of such convention. In addition, this article also states that if on a recommendation no legislation or other action is taken to make a recommendation effective or if a draft convention fails to obtain the consent of the authority or authorities, no further obligation shall rest upon the Member.

Articles 409 to 420 however, provide for some further action being taken by the Governing Body, firstly by providing for representation being made by any industrial associations of employers or workers; secondly, that if no statement is received from the defaulting Member, the Governing Body shall have the right to publish the necessary papers and statements, and thirdly, to set up a commission of enquiry comprised of three persons, one drawn from each of these panels, consisting of employers, workers, and persons of independent standing, and finally if necessary to refer the complaint to the Permanent Court of International Justice of the League of Nations.

I have not touched on 'Resolutions' because these required only simple majorities and no action is obligatory in respect of them.

To sum up therefore, the essential difference between a draft Convention and a Recommendation is that whereas a draft convention if approved by the competent authority *must* be carried into effect, there is no such obligation in the case of a recommendation.

Agenda: Other Items.—The other resolutions, *viz.*, (one) relating to the safety for railway workers and automatic couplings, etc., was accepted and it was decided that the Governing Body should obtain information from Government in order to decide whether an international agreement was desirable, (2) requesting the Governing Body to place on the Agenda at a forthcoming conference an item regarding the institution of a special inspection for the mercantile marine distinct from the industrial inspection system—this was adopted, and (3) requesting the Governing Body to consider whether relations should be entered into in order to consider by what measures satisfaction

can be given to local organisations of the Saar Basin and how the International Labour Office can place itself at the disposal of the Governing Commission in order to secure the application of the principles adopted by the League of Nations—this was also adopted.

The Directors' Report which was accepted, gave an opportunity for several speakers—chiefly labour delegates to criticise the progress made particularly in the ratification and application of Draft Conventions already made, all of which were replied to at length by the Director General.

Conclusions.—After having attended the Conference and having followed recent Political events very closely, I cannot, but regard the future of the International Labour Office with some apprehension. Critics are both numerous and severe regarding the continued practicability of the League of Nations, and if by any chance the League should be disbanded then I presume (*ipso facto*) the International Labour Office would cease to exist. On the other hand there is a strong school of thought which is emphatic in its declaration that the League is the only solution for the progress and protection of humanity.

Of the International Labour Office itself, I consider up to now it has done useful work despite the difficulties it has experienced—owing to Political and Social changes—in getting its Draft Convention ratified. This I take it must be so for some time to come for Government are usually cautious in creating new Industrial legislation especially when they consider their existing laws are established on justice for both employers, and employees. On the other hand, however, it is somewhat disturbing to find that some enlightened countries immediately give effect to Draft Conventions whilst others who have agreed, fail to ratify these, with the result that competition reacts very unfairly on those countries who have introduced forward legislation, and consequently you have at these conferences three distinct schools of thought, viz., (1) the employer who, whilst wishing to protect the worker, upto a point, must protect his interests against unfair competition and backward labour condition in other countries, (2) the workers who claim better conditions under which they work and shorter hours and (3) the Government representative who must have a care that nothing decided upon is such as will not be outside the bounds of possible legislation in his own particular country.

And finally, in these days of economic strife one has to ask the question: "does it warrant the expense" unless great principles or changes in great principles are to be made.

I understand that a year ago the cost of the annual Conference was in the vicinity of £13,000. Are we justified in being a party to an expense of this magnitude to decide upon "The General Principles for the Organisation of Factory Inspection?" I consider not!

No. 90-251 of the 14th January, 1924.

From the Chamber to Mr. J. A. Kay.

I am directed to acknowledge the receipt of your letter, dated the 30th November, 1923, forwarding a copy of your report on the proceedings of the fifth session of the International Labour Conference held at Geneva on the 18th—25th October, 1932, and which you attended as the representative of employers in India.

2. In reply I am to say that my Committee, and the Members of the Sub-Committee with whose assistance their views on the agenda of the Conference were formulated have read your report with the greatest interest and I am to convey to you their most cordial and appreciative thanks for a most valuable and comprehensive account of the proceedings of the Conference.

APPENDIX E-9

RATE OF EXCHANGE FOR BILLS DRAWN IN FOREIGN CURRENCIES.

No. 657/A. C. of the 9th May 1923.

**From the Associated Chambers of Commerce of India
and Ceylon, Bombay, to the Chamber.**

*Rate of Exchange for past due Bills drawn in foreign
currencies.*

I am directed to forward to you a copy of the marginally noted letter from the Government of India on the above subject and to request you to inform me what further action your Chamber consider that the Association should take in that connection.

Letter No. 711-F, dated the 24th April, 1923, from the Government of India, Finance Department to this Association.

Mr. Taylor's letter of the 12th September last, referred to in the accompanying letter, was a formal acknowledgment of this Association's letter, No. 722-A.C., dated the 6th September, a copy of which was forwarded to all members with Mr. D. K. Cunnison's letter No. 779-792-A.C., dated the 7th September, 1922.

No. 711/F. of the 24th April 1923.

**From the Government of India (Finance Department),
Simla, to the Associated Chambers of Commerce
of India and Ceylon, Bombay.**

With reference to the correspondence ending with Mr. Taylor's letter of the 12th September last, I am directed to reply to the representation of the Associated Chambers of Commerce of India and Ceylon urging that legislation should be undertaken by the Government of India at an early date on the lines of the Hongkong Bill of Exchange Ordinance 1921, so as to provide that, in the absence of any express stipulation, past due Bills drawn in foreign currencies should be payable at the rate of exchange ruling on the day on which the bill is actually paid.

The Government of India have consulted other Chambers of Commerce in India who were not represented on your Association, and find that the proposed legislation is not supported by several of the Chambers consulted. The Government of India regret that they cannot see their way to undertake legislation in a matter of this kind in the absence of practical unanimity in commercial circles.

No. 1234/192 of the 21st May 1923.

**From the Chamber to the Associated Chambers of
Commerce of India and Ceylon, Bombay.**

I am directed to acknowledge the receipt of your letter No. 657-A. C., dated the 9th day of May 1923, enclosing a copy of a letter from the Finance Department of the Government of India on the subject of the rate of exchange for the payment of past due bills drawn in foreign currencies.

2. I am to say that my Committee note with the greatest regret that the Government of India do not intend to undertake legislation, definitely laying down as to whether a past due bill is payable at the rate of exchange ruling at the date of payment of that ruling at the rate of maturity.

3. I am to state that my Committee are strongly of opinion that the Associated Chambers of Commerce should

press the Government of India with all the emphasis at their command to re-consider their decision contained in the letter under reference without any further delay.

4. My Committee feel that the decision of the Government of India in this connection can only mean that they have failed to grasp, first the state of affairs at present obtaining in regard to dishonoured bills, and, secondly the consequences that are almost certain to take place should they continue in their refusal to legislate.

5. I am to point out that in Bombay the drawee of a past due bill is placed, under the present conditions, in a very strong position; he argues that his Bill is payable at the rate of exchange ruling on the day of payment should exchange have gone *up* since the maturity of the bill but should exchange have gone *down* since the maturity of the bill he argues that it is payable at the rate of exchange ruling on the date of maturity.

6. I am specially to draw your attention to one grave result of this indeterminate state of affairs. It is, that claims in respect of dishonoured bills are being made in the first instance either on the drawers or the endorsers of the bill instead of on the drawee, in other words, the Exporter from Europe and the United Kingdom is being penalised and inconvenienced, and my Committee feel that they cannot urge too strongly that the matter should definitely be settled by legislation at the earliest possible date.

7. I am finally to refer to the second paragraph of the Government of India's letter under reference wherein it is stated that other Chambers of Commerce in India, but not members of the Associated Chambers of Commerce of India and Ceylon do not support the legislation that has been proposed and I am to say in this connection that my Committee consider that it would be most interesting to hear which Chambers of Commerce object to such legislation and what the reasons for their objection may be; so far as my Committee are aware all British Chambers of Commerce in India are members of the Associated Chambers of Commerce of India and Ceylon.

No. 711-A. C. of the 4th July 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

Rate of Exchange for past due Bills drawn in foreign currencies :

I am directed to inform you that at the suggestion of the Punjab Chamber that the above subject should be discussed in the Legislative Assembly, Sir Henry Stanyon, Kt., who represents the United Provinces European Constituency, has kindly consented at the request of the President to ask the following question during the present session of the Assembly :—

“Will Government be pleased to state whether they are aware of the wide-spread dissatisfaction in commercial circles caused by the decision of the Finance Department not to undertake legislation on the lines of the Hongkong Bill of Exchange Ordinance 1921 definitely laying down whether a Past Due Bill of Exchange is payable at the rate of Exchange ruling at the date of ultimate payment or at the rate of Exchange ruling at the date of maturity ?

Are they aware that their action in this respect is directly contrary to the considered, emphatic and unanimous opinion of the Associated Chambers of Commerce of India and Ceylon ?

Will Government be pleased to give the name of any Chamber of Commerce or Public Body which does not favour legislation on the lines indicated by the Associated Chambers.”

No. 743-A. C. of the 16th August 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

With reference to my letter, No. 657-A. C., dated the 9th May 1923, I am directed to hand you the enclosed copy of a letter and its accompaniments which have been despatched to the Government of India.

No. 741-A. C. of the 11th August 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Government of India (Finance Department), Simla.

I have the honour to refer to your letter, No. 711-F, dated the 24th April 1923, in which you reply to the representation of this Associa-

tion urging that legislation should be undertaken by the Government of India at an early date on the lines of the Hongkong Bill of Exchange Ordinance 1921 so as to provide that in the absence of any express stipulation, past due Bills drawn in foreign currencies should be payable at the rate of exchange ruling on the date of actual payment, and in which you state that the Government of India have consulted other Chambers of Commerce that are not members of this Association and found that the proposed legislation was not supported by several of the Chambers consulted and further that the Government of India regretted that they could not see their way to undertake legislation in a matter of this kind in the absence of practical unanimity in commercial circles.

2. In reply I am to inform you that a copy of your letter was circulated to all the members of this Association for favour of their views. Their replies show that the members are greatly disappointed at the attitude taken up by the Government of India towards the question and their decision not to legislate, and I am to request you to urge the Government of India to reconsider this decision.

3. In drawing the attention of Government to the result of the decision given in the Bombay High Court in the case of Muller Maclean and Co., *vs.* Kadarbhoy Mulla Esmailji, and requesting Government to legislate on the lines of the Hongkong Bill of Exchange Ordinance, the members of this Association were not asking for a concession or a relief from taxation or for anything which, in their opinion, was in any way contentious. It was simply a matter of equity. The state of affairs in connection with the rate of exchange for past due Bills became inequitable after the decision of the High Court. This Association was unanimous on that point and they were also unanimous that the proper remedy was the one which has worked satisfactorily in Hongkong, and it was hoped that Government would legislate as soon as their attention had been drawn to the inequity consequent upon the absence of legislation. That the absence of legislation is inequitable is undeniable. That the remedy suggested is the proper one is almost equally indubitable. As will be observed from the accompaniments to this letter, the Associated Exchange Banks, Calcutta, and the same Association in Bombay both support this Association in this matter.

4. It was suggested by several members of this Association that Government be requested to give the names of the Chambers of Commerce that opposed the proposed legislation and the reasons for their opposition, and in the recent session of the Legislative Assembly the Hon'ble Finance Member gave the names of two Chambers that were not in favour of it, but their reasons have not been made known, and my Association are very anxious to learn on what grounds the legislation has been opposed. Such information would be of particular interest because at the present moment not any one of the

members of this Association can conceive of anything desirable in the interests of either justice or trade that would be lost, were the legislation undertaken.

5. Certain of my members have expressed the opinion that possibly the inequity of the law as it stands was not sufficiently emphasised in this Association's previous representation and to remedy that defect I am to hand you the enclosed copy of a letter from the Associated Exchange Banks, Calcutta, to the Bengal Chamber of Commerce, which explains the matter very clearly and to which I am to request you to draw the Government of India's very careful attention. I also enclose a copy of a letter from the Karachi Chamber of Commerce which emphasises certain aspects of the question which deserve close consideration.

6. It is thought that the enclosed letters will place the Government of India in possession of all the information necessary to consider this question and to frame legislation to remove the existing injustice. There is, however, one point that is not brought out sufficiently and which I am now to explain. For the reasons set out in the first accompaniment to this letter, the drawee of a past due Bill is able, under the present conditions, to retire his Bill at either the rate ruling on the date of maturity or the rate ruling at the date of payment, whichever is most advantageous to him, leaving the Bank to suffer the loss due to the difference between the two rates. This confers an advantage on the drawee of the Bill which may have induced certain commercial circles to view the question lightly. But the important point for Indian trade and Indian credit is, that as a consequence of this indeterminate state of affairs, claims in respect of dishonoured Bills are now being made in the first instance on either the drawers or the endorsers of the Bills instead of as formerly on the drawees, in other words, the exporters from Europe are being inconvenienced and penalised. The further consequence of this is that the exporters cease to trade with their Indian clients on the old terms and begin to distrust the Indian market as a whole. This would be checked by the legislation the Associated Chambers desire.

In conclusion I am again to request you to move the Government of India to consider this matter without delay. Government will realise, this Association trusts, from the foregoing remarks, that legislation on the lines suggested is urgently needed to remove an injustice and to protect India's trade.

Dated the 18th July 1923.

From the Chairman, Calcutta Associated Exchange Banks, to the Bengal Chamber of Commerce, Calcutta.

Rate of Exchange on Past Due Bills drawn in foreign currencies.

I have to acknowledge the receipt of your letter, No. 1608-1923, dated 5th June 1923, with reference to the proposed legislation on this subject.

2. The Exchange Banks Association note with regret, from the enclosures to your letter, that the Government of India have declined to accept the proposal that they should legislate to provide that, in the absence of an express stipulation, past due bills drawn in foreign currencies should be payable at the rate of exchange ruling on the day on which the bill is actually paid. The Banks have also considered the letter, dated 6th September 1922, in which this proposal was submitted to Government by the Associated Chambers of Commerce. They recognise that the proposal was precisely defined in the letter, but the inequity of the law as it stands was not, in their opinion, sufficiently emphasised. And they feel that the Government might be disposed to re-consider their refusal if a complete statement of the case were placed before them. For there can be no question that convincing arguments can be adduced in support of the proposal; and the Banks suggest that these should be brought prominently before the notice of the Government.

3. It should be first pointed out that the bills in question are mainly bills which have been created by the purchase, by dealers in this country, of goods from abroad, chiefly from the United Kingdom. These purchases are made on a sterling basis. When the time for delivering the goods arrives, the seller in the United Kingdom ships them, and draws sterling bills on the buyer in India. The bills so drawn contain a clause which states that they are payable at the Indian Exchange Banks' selling rate of exchange. A specimen bill is attached hereto from which the precise wording of this clause will be seen. The bills, with the shipping documents attached to them, are then negotiated through the London Office of an Indian Exchange Bank. The Bank may either advance against them to the seller, as is very usual, or it may simply treat them as bills for collection. In either case the bills, with the documents attached, are sent to the Indian Office of the Bank at the port of destination; and when the dealer against whom they are drawn either accepts the bills, or pays the amount of them as may have been previously arranged—the documents are released by the Bank, and the dealer is thereby enabled to take possession of the goods.

4. The business in question has increased in volume as time has gone by—a fact which shows that its methods are well adapted to the needs of the trade of the country, and are acceptable to both the supplier in the United Kingdom and the indenter here. It has one feature which is peculiar to it, and which is hardly known at all in the United Kingdom. This is the practice which has grown up whereby, if it suits them, dealers allow bills to go past due. This does not necessarily involve a loss of credit as would be the case in England. The indenter, the Indian dealer, is generally speaking a man of limited means. His resources are not as a rule such as to enable him to carry stocks of the goods in which he trades. He is so situated that he generally finds it to be necessary to sell the goods, or a considerable proportion of them, before he can pay the Bank. And if, as frequently happens, he cannot sell them by due date he requires to have the time extended. This

additional time the drawers are usually willing to give them. If they refused this concession and treated the dealer as a defaulter—which by failing to pay on due date he of course becomes—they would simply compel him to restrict his business. But by allowing the bills to go past due the system gives just that elasticity, which is necessary to suit it to the Indian dealer's small resources, and by which he is enabled to adjust those resources to a seasonal market. The concession is in short a trade facility which the circumstances and conditions of the business have brought into existence.

5. For many years the system worked smoothly, no question having arisen as to the rate at which past due bills were payable. In fact from about 1899 to about 1916 exchange was so stable as to lead a generation of dealers to ignore the small fluctuations that occurred. And from August 1917, when the Government of India were forced to increase the official rate of exchange to 1s. 5d., until February 1920, when exchange reached something over 2s. 10d. dealers retired over due bills at rates ruling on date of payment. But these rates were in nearly every case higher (i.e., more favourable to the dealer) than the rates ruling on the day when the bills matured. It was only when the position was reversed, and rates began to fall, that the dealers claimed to be entitled to retire their overdue bills at the higher rate ruling on the date of maturity.

6. The matter was then tested in the Bombay High Court, and in the case *Muller Maclean & Co., Ltd., vs. K.M.Esmailji* that Court decided that the bills ought to be retired at the rate of exchange ruling on the date of maturity. This decision came somewhat as a surprise to the Banks, who were under the impression that the date of payment was the legal date. But they would have no objection to the law as defined by the Bombay High Court if it could be equitably enforced. This is, however, precisely where it fails. At first sight it does no doubt appear to be a simple matter for the Banks to protect their interests by covering exchange on bills as they mature at rates then ruling. But further enquiry will show that this matter is not so simple as it seems to be. For if exchange rises the dealer will not be prepared to accept the rate ruling at the date of maturity. He therefore demands that the Banks should retire his bills at the higher rate ruling on the date of payment. If the Bank refuses to accept payment at such higher rate, as it is justified in doing, the dealer goes to another Bank and remits, at the current rate, to the drawer a sum equal to the sterling amount due on the bill in question. He simultaneously asks the drawer to withdraw the bill, which request the drawer willingly complies with, seeing that he has got the sterling sum for which he contracted. In these circumstances the Bank, if it has covered exchange on its overdue bills, is left with an overbought position provided against the particular bill in question. It has no redress, and has to accept the loss. Its position is of course equally unsatisfactory should the dealer default altogether and never pay the bill. It is only in the event of exchange falling that the Bank would be really covered.

7. It will be seen from the foregoing that the present position is not only thoroughly unsatisfactory but is also altogether inequitable. For as it stands the law is entirely one-sided. It forces the Bank to accept payment at the rate ruling on the date of maturity. But it does not compel the dealer to pay at that rate. He can successfully and safely evade the law by adopting the expedient mentioned in the preceding paragraph; and the Banks have no recourse. The Government of India seem to be under the impression that they ought not to legislate because the Chambers of Commerce are not unanimous on the subject. But, as I have shown, it is not a question of unanimity. It is simply a question of equity and justice. The Banks are not seeking in any way to prejudice the Indian dealer, or to injure his interests. Nor are they endeavouring to force upon him a risk which they ought equitably to take. A bill becomes past due because the dealer fails to retire it on due date. In other words the dealer defaults, and it is this default on his part which gives rise to the difficulty. The Banks are in no way responsible for his failure to pay; and they cannot be rightly required to take the risk arising from it. But it is clear, from what I have stated above, that, as the law stands at present, the risk does fall exclusively on the Banks. The dealer takes no risk, for he can cover exchange at any time; and what is more he is the only person who knows whether the bill will ever be really paid or not. It cannot be denied that this state of affairs is wrong, and it is equally undeniable that the obvious remedy is for the Government of India to legislate so as to provide that overdue bills must be retired at the rate of exchange ruling on the date of payment. It is impossible to believe that those Chambers of Commerce who have opposed this suggestion can be acquainted with the facts, and the Banks trust therefore that your Committee will strongly press upon the Associated Chambers the need for their submitting to the Government of India a complete presentation of the case for legislation.

No. 15-C. F. 3. of the 23rd May 1923.

**From the Karachi Chamber to the Associated Chambers
of Commerce of India & Ceylon, Bombay.**

*Rate of Exchange on Past Due Bills drawn in
foreign currencies.*

I am directed to acknowledge receipt of your letter No. 657-A C., dated 9th May 1923, with its enclosure on the above subject. My Committee has given full consideration to the matter and is of opinion that it should certainly not be allowed to rest with the Government of India, Finance Department, letter No. 711-F of 24th April 1923, but that the Association should again represent to Government in the strongest possible terms the extreme urgency of the introduction of legislation on the lines of the Hongkong Bill of Exchange Ordinance, 1921.

In the opinion of my Committee the necessity for the proposed legislation is obvious in view of the not inconsiderable fluctuations in Rupee-Sterling Exchange and of the violent fluctuations to which rupee-foreign exchanges are subject since mint pars and bullion point in most currencies became inoperative, and it is considered that the proposed legislation should apply to all bills (current as well as past due), drawn in foreign currencies, so as also to cover bills retired (usually under rebate of interest) before actual date of maturity.

In the event of the proposed legislation not being undertaken it will handicap merchants in India—Indian as well as others—from obtaining their supplies in the cheapest markets. Under present conditions shippers will decline business based on a fluctuating currency unless there is a reasonable assurance that they will receive the value of their shipments in their own currencies according to the amount invoiced. This can be attained by basing the payment of bills of exchange drawn in foreign currencies at the rate of exchange ruling on the day on which the bill is actually paid.

Without this safeguard shippers will be at the mercy of unscrupulous traders and the credit of honest Indian traders will, as in recent years, be again severely compromised. It is obviously unfair that a shipper who has fulfilled the terms of his contract, should have to bear a loss in Exchange for the benefit of the party who has defaulted by not meeting his liability on its due date.

When an importer accepts a bill of exchange he is presumed to have full knowledge of the details of the bill including its due date, and if he is unable to pay by that date the burden of a loss caused by a drop in Exchange must fall on him.

My Committee is convinced that any possible objection to the proposed legislation can only serve the purpose of increasing vexatious litigation and of benefiting unscrupulous and dishonest traders at the expense of genuine suppliers, and therefore feels that the proposal should receive the whole-hearted support of all merchants who are desirous of undertaking and encouraging honest overseas trading.

In view of the statement by the Government of India that they have consulted other Chambers of Commerce not in the Association and find that the proposed legislation is not supported by several, the Associated Chambers of Commerce might ask Government for the reasons given by those not supporting, so that the Association can examine and reply to them.

My Committee feels that it is vital to sound commercial interests that this important matter be pursued with all the vigour at the Association's command, and trusts that the points raised in this letter will be of assistance to the Association in making a further strong representation.

To the best of my Committee's belief there is no lack of practical unanimity in this matter in honest commercial circles, and a change in the extraordinary attitude taken up by the Government of India in expressing inability to undertake legislation is considered absolutely essential.

Dated the 31st July 1923.

**From the Associated Exchange Banks, Bombay, to the
Associated Chambers of Commerce of India & Ceylon,
Bombay.**

I beg to acknowledge receipt of your letter, No. 732-A.C. of 24th instant, with enclosures, and with reference thereto have to say that as I understand your Association have a copy of the letter addressed by the Chairman of the Calcutta Exchange Banks Association to the Bengal Chamber of Commerce, dated 18th July, my Association has nothing further to add to the views on the above subject set forth therein, to which we give our strongest support.

*Extract from the proceedings of the Annual General Meeting of
the Associated Chambers of Commerce of India, Ceylon,
held at Bombay on Tuesday, the 4th December 1923:—*

MR. (NOW SIR) FRANK NELSON, *President, in the Chair.*

MR. F. CLAYTON (Karachi) moved:—

“That in the opinion of this Association the Government of India should effect, with the least possible further delay, legislation on the lines of the Hongkong Bill of Exchange Ordinance, 1921, so as to provide that, in the absence of any express stipulation to the contrary, all bills drawn in foreign currencies be payable at the rate of exchange ruling on the date of actual payment.”

He said:—In moving the resolution on this question submitted by the Karachi Chamber of Commerce I would remark that the nature of the legislation desired is such that banks are primarily interested, and as I understand, the Chairman of the Associated Exchange Banks of Bombay will speak on this question, I propose to leave him to put before you the

views of the bankers of this country and the convincing arguments I know they adduce in its favour. I have, I think, used the words "bankers of this country" advisably, for it is an established fact that there is absolute unanimity amongst them as to the urgent necessity for the required legislation being undertaken.

Not only the security of banks, but mercantile interests—especially those of Indian direct importers—call for an equitable basis being established by law.

There is a large volume of trade transacted in this country where it is arranged that bills for the equivalent value of the goods purchased shall be drawn by shippers directed upon the buyers, and our Indian friends, in particular, are very closely associated with this handling as agents or traders by far the larger portion of the same. At the time such business is fixed a condition is definitely arranged that at the expiration of a stated number of days after a bill for the amount due is presented to them the value of the goods shipped shall be paid by the buyer. The shipper expects that this arrangement will be carried out. The intermediary on this side, or agent as we may more conveniently term him, has made definite stipulations regarding this, while the buyer has understood the condition and has agreed to make payment in terms arranged. Such a basis practically amounts to a limited credit system and credit all the world over can only be based upon, or continued, with the honourable fulfilment of obligations undertaken therewith.

The honourable Indian or other buyer stands to his engagement, and pays not a number of rupees that have a depreciated value when turned into sterling, but the number of rupees necessary to give the shipper the exact amount in sterling which the buyer contracted to pay. There was never a contract to pay a stated number of rupees but there was a definite one whereby a certain sum in pounds sterling had to be paid. The dishonourable trader, knowing that under present conditions it is a case of "heads I win tails you lose," allows his bill to become past due and permits it to remain so for such length of time as suits his purpose. Logically when exchange falls, prices in this country for imported articles should rise,

just as when exchange rises, thereby cheapening costs, the sale prices of imported articles should fall. Under conditions which suit them such traders defer payment so as to secure the benefit of the higher prices made possible by the fall in the rate of exchange yet when they do make payment against the same, demand that the rate of exchange shall not be that ruling at the time payment is being made, but shall be according to the higher rate that ruled weeks or months before, when the bill became due. The pity is that the law as it now stands entitles them to do this.

Is it not iniquitous to permit a state of affairs to continue whereby an honest trader is appreciably penalised and a definite benefit permitted to accrue to the dishonest one?

In this connection I go so far as to state that the weight of Indian opinion on this subject is with this Association and the bankers of this country; for it, too, realizes the importance of an equitable law safeguarding the rights of the parties concerned. This opinion is based upon many conversations I have had with Indians on the subject.

There is no intention behind this legislation to prejudice the Indian trader or to injure his interests; actually a continuance of the system enables the small trader, with limited means (and most of those affected come within this category) to maintain a far larger turnover than would otherwise be the case. In fact should banks and/or shippers and/or agents refuse continuation of the system, many of the small traders would be forced out of existence as such.

Under the arrangements which have gradually grown up with such traders, supplies are ordered by them so that they may be ready in this country when required, the capital for financing the same being provided at a rate of interest distinctly below what such traders would need to pay for money borrowed among their own communities. Yet while receiving all this assistance, on the continuance of which their very existence depends, they attempt, if circumstances are propitious for their nefarious schemes, to pay an amount which in sterling is less than the sum mutually agreed upon. The object of the legislation now asked for is based on perfect

equity for all concerned. That the shipper shall receive the exact amount for which he sold his goods ; that the intermediary or agent on this side (generally in this business an Indian) shall be absolved from the necessity to make good the resulting shortfall ; and that the honest trader shall not be placed in an inferior position to his dishonest neighbour, who, as the law now stands, is actually protected in his actions. Without the safeguard now sought by legislation, banks, shippers and/or agents will continue at the mercy of unscrupulous traders and undoubtedly this country will be prevented from obtaining its supplies in the cheapest market. I may also tell you that the Hongkong Ordinance is exactly like the Karachi resolution.

I now beg to formally move the following resolution :—

“ That in the opinion of this Association the Government of India should effect, with the least possible further delay, legislation on the lines of the Hongkong Bill of Exchange Ordinance, 1921, so as to provide that in the absence of any express stipulation to the contrary, all bills drawn in foreign currencies be payable at the rate of exchange ruling on the date of actual payment.”

I desire to apply for permission to alter the word all to “past due” in the resolution and also to alter the title of the resolution slightly, i.e., I wish to change the title to read “Rate of Exchange for Past Due Bills drawn in Foreign Currencies.”

The necessary permission was accorded.

MR. W. P. G. TAGGART (Bombay):—Mr. President and Gentlemen,—I have been asked to support the resolution proposed by Mr. Clayton. We are all aware that the foreign trade of the country is affected by the power and the willingness of the exchange banks to finance it and everything that handicaps the banks in their operations is a drawback to the conduct of business.

As the law stands at present the acceptor of a bill of exchange drawn in a foreign currency is permitted to retire it at any time after maturity at the rate of exchange ruling

on the day the bill fell due; irrespective of whether exchange has moved up or down in the meantime. As the acceptor may never retire the bill at all the bank holding the bill is unable to buy exchange against its prospective sale until payment of the bill is tendered, and the consequence is that it may find itself obliged to sell, let us say, at $1/5$ when it can only buy at $1/4$. The exchange banks are thus placed in a difficult position and have been obliged to adopt a conservative attitude in regard to the import trade of this country and in some cases to call for repayment of bills by drawers immediately on the bills being dishonoured.

The consequence is that complaints are numerous that the exchange banks are not facilitating trade as they should. Many merchants are apparently unaware of the real reason for this attitude on the part of the exchange banks.

The function of the exchange banks as regard imports into India is to finance shipments from abroad until the date of maturity of the relative bills of exchange. After that date the exchange banks look in the main to the local banks, such as the Imperial Bank, Central Bank of India, and Bank of India, to advance money against these goods where necessary and desirable. If the exchange banks are to be asked to carry cargoes for longer periods at the whim of the importer who does not mind dishonouring his signature their capacity to finance will be restricted. This restriction cannot but be to the detriment of trade and a rise in prices in India may result.

Mr. Clayton has already instanced the case of an unscrupulous importer whose bill falls due when exchange stands, let us say, at $1/5$. Such a man argues that if exchange falls the price of the relative goods will probably rise and he therefore refuses to pay, sits back and lets the bank—unless it recovers the amount from the drawers of the bill—carry the cargo. This procedure is a handicap to the honest merchant and a hindrance to the trade of the country.

Various expedients have been suggested whereby these difficulties may be overcome, but in practice none of them is found to be feasible. One is that the banks should take promissory notes in rupees from drawees, but one of the objections

to that suggestion is that the drawer of the bill would then be released from liability. It has been pointed out that the Indian law as it at present stands is in conformity with that in Great Britain. To this argument, if it can be called an argument, I reply that the majority—probably 95 per cent.—of bills upon importers in Great Britain are drawn in sterling that is in the currency of the country where payment is to be made, so the question of exchange does not arise.

MR. W. L. CAREY (Bengal) :—Mr. President and Gentlemen, —I have listened with the greatest interest to the arguments put forward by the Karachi Chamber. I may say that my own Chamber have also been persistently pressing this point on the Government of India throughout the whole of the current year and that our banking members have at our request put forward a strong representation of the case in favour of the suggested legislation. As far as I am aware we have not seen the arguments on which such objection is based or on which any other opinion is based. But the arguments which we have heard, and those which we ourselves also possess in favour of such action, seem to me to be unanswerable. At the same time the action itself is so desirable with the object of regularising trade conditions, and of giving that feeling of confidence, and the possibility of knowing exactly what one is doing, which is so essential for the growth and development of commerce, that the position taken up by the Associated Chambers, and again embodied in the resolution just proposed, seems to me to be entirely for the good of trade in this country as a whole. If it should be suggested that such legislation be made retrospective, this, I think, is unnecessary and ought not to be supported. It would lead to an infinity of adjustment and dislocation, and therefore would be bad in principle and would cut at the basis of business. Let us get the necessary regularising of the point made from now on and this will suffice. The present exchange position would seem to urge the desirability of prompt action. I therefore have much pleasure, on behalf of the Bengal Chamber, in adding my support to the resolution put forward.

MR. F. CLAYTON (Karachi) :—Mr. President and Gentlemen,—I find that the wording of the Hongkong Ordinance is

entirely different from ours. I find it reads

“Where a bill is drawn payable to people in this Colony and the sum payable is not expressed in the currency of this Colony, the amount of the bill, if paid in this Colony and in the currency of this Colony, should in the absence of any express stipulation be calculated according to the rate of exchange for sight drafts in this Colony on the day on which the bill is actually paid,”

so that the point to which I referred previously is not correct. I apologise for any false impression to which my remarks may have given rise.

THE HONOURABLE SIR BASIL BLACKETT :—Mr. President and Gentlemen,—Mr. Clayton has saved me the trouble of reading out the Hongkong Ordinance to you, which I was just going to do. I draw attention to it for this reason, namely, that I think the resolution as originally drawn was in accordance with the Hongkong Ordinance and if it is made applicable only to past due bills, it is not in accordance with the Hongkong Ordinance. I would like to draw attention to the ruling recently given by the Bombay High Court, which has caused the subject to become prominent. Under that ruling it is doubtful whether bills paid before maturity are payable at the rate ruling on the due date.

If legislation is to be comprehensive it looks to me as if the insertion of the wording “past due” would introduce another complication that ought not to be introduced. I just draw attention to that so that it may be considered before the question whether it is the original resolution or the revised one which is to be put to the meeting.

On the general question, as Mr. Carey has informed you, the Government of India have been kept alive to its importance throughout the whole tenure of my office. There is undoubtedly a strong case for legislation and I am inclined to think that the objections that have been taken to it hitherto are due to a failure to get right to the bottom of the case. The initial difficulty arises out of the prevalent practice of allowing to default and you ask us to legislate to deal with that. It, of course, is technically true that there would

be no such difficulty if the banks were to enforce their right of payment on the due date. It is because they let it run past that the difficulty arises and obviously there is a certain amount of difficulty in legislating to meet a case of that sort. The banks in a sense therefore have it in their power to meet the difficulty by their own action. As has been pointed out, however, if the banks make use of the power that lies in their hands, they do unfortunately put an impediment in the way of Indian trade and prevent it from being carried on along the convenient if faulty lines which has hitherto been customary in this particular respect. The effect of strict action on the part of banks has already been explained by a speaker from Bombay and I think that it is probably true that it is not in the interests of the smaller Indian trader that the law should remain as at present if the result is to make the banks rigidly adhere to the actual date.

I have not got any authority to commit the Government of India in this matter but I am prepared to recommend to the Government of India that legislation should be undertaken in order to meet this difficulty at the earliest possible moment (*Applause*). The Government of India would like, if the resolution is finally passed, to have the opinion of the Associated Chambers as to whether they wish it to be confined to the past due bills or all bills.

MR. F. CLAYTON (Karachi):—With your permission, Sir, and that of the meeting, the Bombay, Bengal and Karachi representatives suggest that the resolution, as originally sent in, should stand without alteration.

THE PRESIDENT:—That is, “rate of exchange for bills drawn in foreign currencies?”

MR. F. CLAYTON:—It will read “all bills” as in the draft resolution. That, I think, would meet Sir Basil Blackett’s point.

THE HON’BLE SIR BASIL BLACKETT:—Yes, I think so. I do not wish to ask you to legislate for one or the other.

THE PRESIDENT:—I understand that you wish me to put your resolution, as down in the agenda, and unaltered.

MR. F. CLAYTON :—Yes.

The resolution was put and, on a show of hands being taken, was declared carried unanimously.

The resolution, as finally adopted, reads :—

“ That in the opinion of this Association the Government of India should effect, with the least possible delay, legislation on the lines of the Hongkong Bill of Exchange Ordinance, 1921, so as to provide that, in the absence of any express stipulation to the contrary, all bills drawn in foreign currencies be payable at the rate of exchange ruling on the date of actual payment.”

APPENDIX F-1.

INDIAN STAMP AMENDMENT ACT, 1923.

No. 7606-E of the 4th April 1923.

**From the Government of Bombay (Revenue Department),
to the Chamber.**

I am directed by the Governor in Council to forward a copy of a Bill further to amend the Indian Stamp Act with the statement of Objects and Reasons and to request that you will favour Government with the opinion of the Chamber on the provisions of the Bill.

2. I am to request that the reply to this letter may be sent by the 10th May 1923 at the latest.

No. 916-54 of the 11th April 1923.

**From the Chamber to the Government of Bombay,
Revenue Department.**

I have the honour to acknowledge the receipt of your letter No. 7606 E, dated the 4th of April 1923, enclosing a copy of a Bill further to amend the Indian Stamp Act, and in which you request this Chamber to favour the Government of Bombay with their opinion on the provisions of the Bill.

2. In reply I am directed to state that my Committee are in entire agreement with the provisions of the Bill and have no observations to make in that connection other than to express the hope that the measure may duly become law during the next session of the Legislative Assembly.

ACT NO. XLIII OF 1923.

[*Passed by the Indian Legislature.*]

(Received the assent of the Governor-General on the 1st October 1923.)

An Act further to amend the Indian Stamp Act, 1899.

WHEREAS it is expedient further to amend the Indian Stamp Act, 1899; It is hereby enacted as follows :—

1. This Act may be called the Indian Stamp (Amendment) Act, 1923.

Amendment of Act II, 1899, Schedule I. 2. In Schedule I to the Indian Stamp Act, 1899—

- (i) In each of the following articles, namely, No. 19, No. 36, No. 37 and No. 52, in the second column for the words "One anna" the words "Two annas" shall be substituted;

- (ii) In article No. 47—

- (a) in Division B, in the first column, for the words "Fire-Insurance" the words "Fire Insurance and other classes of Insurance, not elsewhere included in this article, covering goods, merchandise, personal effects, crops, and other property against loss of damage;" and
- (b) in Division E, in the first column, for the words "of sea-insurance or a policy of fire insurance" the words "of the nature specified in Division A or Division B of this article"

shall be substituted;

- (iii) For Article No. 49, the following shall be substituted, namely :—

Promissory note [as defined by section 2 (22)]

(a) When payable on demand—

(i) when the amount or value does not exceed Rs. 250 .. One anna.

(ii) when the amount or value exceeds Rs. 250 but does not exceed Rs. 1,000 .. Two annas.

(iii) in any other case .. Four annas.

(b) When payable otherwise than on demand— The same duty as a Bill of Exchange (No. 13) for the same amount payable otherwise than on demand.

APPENDIX F-2.

STAMP DUTY ON SHARE TRANSFERS.

Dated the 31st July 1922.

From a Member to the Chamber.

“I suggest that a ruling from Government should be obtained as to the amount of stamp duty a transfer of shares should bear when the shares in question are being transferred from the nominee to the rightful owner (or *vice versa*) without consideration.

I find that many Companies differ in their opinions on this point, some accepting transfers with a nominal consideration stamp of Rs. 7-8-0 and some requiring full duty on the current market value of the shares.

A case in point has arisen between myself and a certain Company. I hold shares in that Company which were bought for me by my Bankers and placed in the name of one of the

partners. I now want those shares transferred to my name and the Company say the Transfer Deed must be stamped with the full *ad valorem* duty.

In England a transaction of this nature would be accepted on a nominal consideration stamp, provided that an endorsement was made on the back of the deed certifying that no money had passed.

The matter is one of considerable importance to the investing public and I think that the Chamber will agree that a representation to Government for a decision on the point would be advisable.

I have addressed a similar letter to the Chamber of Commerce, Calcutta."

No. 1374-223 of the 12th August 1923.

**From the Chamber to the Superintendent of Stamps,
Bombay.**

"I am directed to address you on the subject of the amount of stamp duty chargeable in the case of share transfers when the shares in question are transferred from a nominee to the rightful owner (or *vice versa*) without consideration.

2. In that connection I am to state that Article 62 (a) of Schedule I of the Indian Stamp Act, 1899, appears to be quite clear upon the point but a member of the Chamber has invited the attention of my Committee to a ruling given in a specific instance by your predecessor in office in 1910 when, upon the submission by the member of a Transfer Deed of the nature in question, the Superintendent of Stamps, in a letter, No. 3906, dated the 21st December 1910, stated that the document was 'chargeable with a stamp duty of Rs. 5 only.'

3. In the circumstances I am to request that my Committee may be favoured with a ruling upon the point which is of considerable interest to the commercial community and ought not to be left in its present indeterminate position. If, however, it is not within your province to give an opinion

as to stamp duty except in respect of particular documents. I am to request that my Committee's wishes may be communicated to the Government Department concerned with a view to a reply being accorded them upon the point at an early date."

No. 3630 of the 23rd August 1922.

From the Superintendent of Stamps, Bombay, to the Chamber.

"With reference to the correspondence ending with your letter No. 1409-223, dated the 17th instant, I have the honour to state that Deeds of Transfer of shares, from a nominee to the rightful owners, fall under Article 62 (e) of the Schedule to the Indian Stamp Act, and are chargeable with a stamp duty of Rs. 5 only. These transactions are looked upon as transfers from a trustee (nominee) to the beneficiary (rightful owner) but a transfer from the owner of shares to the trustees does not fall under that article but is chargeable with the *ad valorem* stamp duty prescribed by Article 62 (a)."

D. O. No. 1493-223 of the 25th August 1922.

From the Chairman of the Chamber to the Chief Secretary to the Government of Bombay.

"A case was put up to us a short time ago anent the question of stamp duty on Transfers relating to shares transferred back to the rightful owner by a nominee.

We addressed the Superintendent of Stamps in the matter as per copy attached, and I append herewith his reply, from which you will see that his ruling exempts (under Article 62 (e)) such Transfers from the *ad valorem* duty prescribed by Article 62 (a).

I should like your opinion on the point before we circulate this ruling to our members, for it is a vastly important one, and will have an effect on revenue.

My own experience as to the practice hitherto in vogue is directly at variance with the Superintendent of

Stamps' ruling; there are innumerable instances in my knowledge of where Bankers such as Grindlays and Kings buy shares for their constituents and put them in the name of one of their partners who thus acts as nominee, sometimes for years at a time.

In due course the constituent retires or dies or clears off his overdraft or for some other reason desires the shares put into his name, and my impression is that the majority of Companies insist on the full *ad valorem* duty being enforced on the Transfers.

As you will appreciate, the Superintendent of Stamps' ruling is thus a very important one, and you will, perhaps, let me have your views, before I circulate it for the information of the commercial community."

No. 4832 of the 28th October 1922.

From the Superintendent of Stamps, Bombay, to the Chamber.

"With reference to your letter No. 1878-223, dated the 16th instant, and in modification of this office No. 3630, dated the 23rd August 1922, I have the honour to state that, where a constituent of a Bank receives back shares on paying off an overdraft, the Banker does not hold the shares as trustee and duty is chargeable under No. 62 (a) of Schedule I."

No. 1977-223 of the 31st October 1922.

From the Chamber to the Superintendent of Stamps, Bombay.

"I am to acknowledge the receipt of your letter, No. 4832 of the 28th of October, in which you state, in reply to a query contained in my letter No. 1878-223, dated the 16th instant, that in modification of your letter, No. 3630, dated the 23rd of August 1922, where a constituent of a Bank received back shares on paying off an overdraft, if the shares are held by the Banker as security for the overdraft, duty is chargeable under No. 62 (a) of Schedule I of the Stamp Act.

2. Arising out of the above ruling I am to ask you to consider a case of the constituent of a Bank who, when the time comes for him to request that certain shares shall be transferred back into his own name from that of the Bank's nominee, may possibly no longer have an overdraft with the Bank in question, but may be temporarily or permanently in credit; in these circumstances I am to request that you will state whether the full "*ad valorem* duty" would be thus payable or whether the nominal fee only would be charged under No. 62 (e), Schedule I of the Stamp Act.

3. Further I am to invite your attention to yet another contingency; it is very generally the custom in this town for outport clients who are desirous of investing in shares to request their Bankers to purchase such shares and more often than not, as a matter of convenience to both parties, the Banker puts such shares in the name of the Banker's nominee.

4. Assuming that a constituent purchases two or three lots of shares and pays for the same out of his credit balance and subsequently purchases more shares against a loan from the Banker in question; eventually the Banker finds himself in possession of a considerable quantity of security, consisting of shares in the name of the Bank's nominee, against a loan of comparatively small dimensions as compared with the amount of security held. Finally the constituent requests that certain shares may be transferred back from the Bank's nominee to his own name; virtually these shares are held as security against an overdraft, and I am to enquire in these circumstances also as to whether duty is chargeable under No. 62 (e) or 62 (a)."

No. 2165-223 of the 27th November 1922.

**From the Chamber to the Superintendent of Stamps,
Bombay.**

I am to refer you to my letter, No. 1977-223 of 31st October 1922, and to state that my Committee trust you will take such steps as may be necessary to the end that they may be favoured with a reply thereto at a very early date.

I am desired to draw your attention to the fact that this question was first raised by my Committee in their letter to you, No. 1374-223 of 12th August 1922.

No. 5401 of the 29th November 1922.

From the Superintendent of Stamps, Bombay, to the Chamber.

With reference to your letter, No. 2165, dated 27th instant, I have the honour to state that the questions raised by you in your letter, No. 1977-223, dated 31st October 1922, have been referred to Government for orders and on receipt you will be communicated with in due course without loss of time.

No. 171-73 of the 22nd January 1923.

From the Chamber to the Superintendent of Stamps, Bombay.

I have the honour to draw your attention to the correspondence resting with your letter, No. 5401 of the 29th November 1922, and to enquire whether any orders have been received from the Government of Bombay in regard to the question of the stamp duty chargeable on share transfers. If no such orders have so far been received I am desired to enquire as to when they may be expected. I am further to point out that this matter has been pending since August last.

No. 310 of the 24th January 1923.

From the Superintendent of Stamps, Bombay, to the Chamber.

“With reference to your letter, No. 171-73, dated the 22nd instant, I have the honour to subjoin copy of opinion of the Remembrancer of Legal Affairs on the subject :—

‘In both the cases, the shares being held by the Banker at one time as security for the overdraft, the relation between the parties is that of creditor and debtor and not of trustee and *cestui que* trust. The subsequent release and transfer is, therefore, chargeable under Article 62 (a) of the Indian Stamp Act, 1899.’

No. 277-73 of the 2nd February 1923.

**From the Chamber to the Superintendent of Stamps,
Bombay.**

"I am to refer to your letter, No. 310, dated the 24th January 1923, in which you intimate the opinion of the Remembrancer of Legal Affairs in regard to the amount of stamp duty chargeable when shares are re-transferred from a nominee to the rightful owner without consideration.

2. Throughout the course of our correspondence on this matter it has been my Committee's endeavour to obtain a general ruling covering the comparatively common circumstances whereunder shares are bought by a Banker on account of a constituent and for one reason or another placed in the name of the Bank's nominee and sooner or later it is incumbent upon the latter to re-transfer these shares to the Bank's constituent, the rightful owner; the point at issue, as you may remember, is as to whether full stamp duty under Article 62 (a) of the Stamp Act is chargeable in each case, i.e., when the shares are originally placed in the name of the Bank's nominee and when they are transferred back from the Bank's nominee to the rightful owner.

3. In your letter, No. 4832, dated the 28th October 1921, you were kind enough to give me a definite ruling to the effect that full stamp duty was chargeable in each case when the rightful owner received back the shares from his Banker upon liquidating the overdraft against which they have been held as security.

4. In your letter under reference, at the instance of the Remembrancer of Legal Affairs you have also accorded my Committee a ruling to the effect that full stamp duty is chargeable under Article 62 (a) in such cases even though there may be actually no overdraft at the time when the shares are transferred back by the Bank to the rightful owner. In other words, in cases in which the shares have been held at any time by the Banker as security for an overdraft, the full *ad valorem* duty is chargeable.

5. I have, however, to submit for your consideration that there is yet one other contingency not covered by the two rulings cited above, namely, the case of a Banker, or any other Agent acting as such, who purchases shares for a constituent and as a matter of convenience places these shares in the name of a nominee; assuming in such a case that at no time during the currency of the transaction had there been any overdraft, loans or consideration of any kind whatever. Am I to understand that the relation between the parties in the circumstances I have cited is still that of creditor and debtor and not of trustee and *cestui que trust*?

6. I am to point out that it has been for some considerable time the invariable custom in Bombay, no matter what the conditions leading up to transactions of this nature may be, for the full stamp duty to be chargeable in each case, and in order that the position in this regard may be finally and clearly defined by your Department I am to request that you will give me a ruling which will cover all classes of transactions coming under this category.

7. In conclusion I am desired by my Committee to point out that this correspondence was originally initiated in August 1922 and to suggest for your earnest consideration that the matter should receive the immediate attention which its importance merits in order that the earliest opportunity may be taken to advise the commercial community of Bombay of the correct and legal procedure in such cases."

No. 1500 of the 9th April 1923.

From the Superintendent of Stamps, Bombay, to the Chamber.

"With reference to your letter, No. 277-73, dated the 2nd February last, I have the honour to subjoin copy of opinion of the Remembrancer of Legal Affairs on the subject.

"It is clear from the wording of Article 62 (e) in the second column of Schedule I of the Stamp Act that the operation of Article 62 (a) is limited by Article 62 (e) and that if the shares are transferred from a trustee to a beneficiary the case would be governed by Article 62 (e)."

The only question, therefore, is, whether the parties in the case suggested, do stand to one another in the relation of trustee and beneficiary. In my opinion the effect of the transaction is to create an implied trust. In English law the transfer of property to a person who gives no value for it is deemed *prima facie* to be a transfer of the legal but not of the equitable estate, and by operation of law a 'resulting trust' arises in favour of the transferor; similarly where one person advances the purchase money and the property is formally conveyed to another who is a stranger to such person, a resultant trust arises in favour of the real purchaser (*vide* Collett's Specific Relief Act, page 9). The Indian Trusts Act II of 1882 embodies this principle in Section 82.

It would seem, therefore, that the stamp duty payable is regulated, in the case quoted, by Article 62 (e) of the Schedule."

APPENDIX F-3.

STAMP DUTY ON EXCHANGE CONTRACTS.

No. 1119 of the 12th March 1923.

From the Superintendent of Stamps, Bombay, to the Chamber.

You are doubtless aware that under the Bombay Stamp Amendment Act II of 1922 the stamp duty on Exchange Contracts has been fixed at Annas 8 instead of the former rate of annas 4. To this enhancement in duty the Karachi Chamber of Commerce object and ask that the duty on these instruments should be reduced to annas 6 as in Bengal. They represent that in this Presidency the enhanced duty, in view of the large reponderance of the small transactions made, is too heavy a tax on brokers.

2. This question has been examined by my office in December last and it is found that no modification in the duty already fixed is necessary in view of the fact that the number

of transactions in Bombay for so small a sum as £100 is negligible, and that when such a transaction occurs, it is unusually a cash transaction that when involving no written contract and therefore no stamp. These exchange transactions are generally for much larger sums, for which the stamp duty is only a negligible proportion of the broker's commission.

3. My predecessor in office, however, did not see why, as the Brokers' commission depends on the amount of a transaction, the stamp duty should not be *ad-valorem*, and why clause (a) of Article 5 of Sch. I of the Stamp Act might not be included in Article 5 (b) as this would bring in an increased amount of revenue to Government and halve the present duty, if the value did not exceed Rs. 10,000.

4. I should, therefore, be glad if you will be so good as to favour me with the opinion of your Committee on this subject.

No. 752-138 of the 22nd March 1923.

**From the Chamber to the Superintendent of Stamps,
Bombay.**

I have the honour to acknowledge the receipt of your letter No. 1119, dated the 12th March 1923, in which you state that you desire to be informed of my Committee's opinion regarding the two alternative proposals (1) to reduce the Stamp Duty on Exchange Contracts from annas eight to annas six or (2) to include Clause (a) of Article 5 of Schedule I of the Stamp Act in Article 5 (b) *i.e.*, to alter the stamp duty on Exchange Contracts from annas eight on all contracts to an *ad-valorem* duty.

In reply I am to inform you that having regard to the state of Provincial revenues my Committee are of opinion that the Stamp Duty on Exchange Contracts should not be reduced nor, I am to add, do they consider that the duty should be altered to an *ad-valorem* duty.

c No. 1405 of the 3rd April 1923.

From the Superintendent of Stamps, Bombay, to the Chamber.

With reference to your letter No. 752-158, dated the 22nd March 1923, I have the honour to request that you will again favour me with the opinion of your Committee whether the increase of revenue will be considerable, if the stamp duty on Exchange Contracts is altered to *ad-valorem* duty as laid down in Clause (b) of Article 5 of Schedule I of the Bombay Stamp Amendment Act. Under Clause (a) of the Art. 5 of Schedule I of the Bombay Stamp Amendment Act the stamp duty on all Exchange Contracts, whether they are below or over Rs. 10,000 is annas eight.

2. I also request you to be so good as to furnish me as far as possible with the number of transactions of the various values effected during the official year ending 31st March 1923 :—

	Proposed <i>ad valorem</i> duty on Exchange con- tracts.		
	Rs. a. p.		
Exchange Contracts not exceeding Rs. 10,000 ..	0	2	0
Exceeding Rs. 10,000 but not exceeding Rs. 20,000	0	4	0
Exceeding Rs. 20,000 but not exceeding Rs. 30,000	0	6	0
Exceeding Rs. 30,000 but not exceeding Rs. 40,000	0	8	0
Exceeding Rs. 40,000 but not exceeding Rs. 50,000	0	10	0
Exceeding Rs. 50,000 but not exceeding Rs. 60,000	0	12	0
Exceeding Rs. 60,000 but not exceeding Rs. 70,000	0	14	0
Exceeding Rs. 70,000 but not exceeding Rs. 80,000	1	0	0
Exceeding Rs. 80,000 but not exceeding Rs. 90,000	1	2	0
Exceeding Rs. 90,000 but not exceeding Rs. 1,00,000	1	4	0
and for every Rs. 10,000 or part thereof annas 2.			
Subject to a maximum of Rs. 20.			

No. 872-138 of the 6th April 1923.

**From the Chamber to the Superintendent of Stamps,
Bombay.**

I have the honour to acknowledge the receipt of your letter No. 1405, dated the 3rd April 1923, in which you request my Committee's opinion as to whether a considerable increase in revenue will result from the adoption of the proposal to levy an *ad-valorem* duty on Exchange Contracts, and in which you further request to be informed as to the number of such transactions of various values effected during the official year ending 31st March 1923.

2. In reply I am to draw your attention to the fact that an answer to your first question depends on the knowledge of an answer to your second question and to inform you that my Committee very greatly regret that they are quite unable to answer the latter question.

3. I am to add that my Committee will always be very pleased to give you all the assistance they can in matters of this nature, but in this instance it is quite impossible to collect the information required to answer your questions.

APPENDIX F-4.

**UNIFORMITY OF PROVINCIAL NON-JUDICIAL
STAMP DUTIES.**

Extract from the Proceedings of the Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon held at Calcutta on Tuesday, 9th January 1923.

(Sir Campbell Rhodes, C.B.E., M.L.A., President, in the Chair.)

SIR MONTAGU WEBB (Karachi) moved :—

That all Provincial Governments be asked to co-operate with each other to secure uniformity in the rates of duty for non-judicial stamps.

He said :—If I remember rightly I think it was the Punjab Chamber of Commerce who first took this matter up and then, finding that the rates of stamp duty were lower in the Punjab than other Provinces, they dropped the matter altogether. If I am correctly advised now a great many people in other parts of the country send their documents to be stamped in the Punjab. The consequence is that the Punjab is doing a great business at the present moment.

The proposal of the Karachi Chamber of Commerce is that Provincial Governments should be invited to co-operate with each other in order to secure uniformity in the rates of stamp duty, so that people, in one end of India, will not send their documents to the other end to be stamped because they can get it done more cheaply.

SIR THOMAS SMITH (Upper India) :—We support this resolution. In a letter we wrote to the Associated Chambers we said we objected strongly to the lack of uniformity, and the confusion and trouble which would result therefrom unless the various local Governments worked on uniform lines. Let me illustrate by two instances the difference in regard to these stamp duties. In consequence of the Province of Bengal having adopted the new Stamp Act increasing the stamp duty, Transfer Deeds if executed in Cawnpore relating to shares in Calcutta have got to be stamped in accordance with the Calcutta duty, and Calcutta the Collectorate have ruled that all Transfer Deeds executed in Bengal are chargeable under the Bengal Act, no matter where they are registered.

Supposing a man in Calcutta sells shares in a concern in Cawnpore, where the rate is less, it is stamped in Calcutta with a heavier duty than it actually requires. The registration takes place in Cawnpore and the sale is incomplete until registered, so that you are really over stamping deeds which require registering at Cawnpore. The question is then execution in one place and final completion in another. Then you have the case of a Power of Attorney, for instance, executed in the United Provinces by a firm or company and sent down to Calcutta for registration. Calcutta says, "Oh, no, this has got to be stamped according to our duty;" if it is pointed out that it is executed in the United Provinces, you say, "We

have nothing to do with that". You see the infinite trouble that is going to arise unless we get this uniformity. So that you will never reach finality and it is for local Governments to play the game. I support the resolution as different rates are going to lead to trouble with regard to the stamp duty. What we want is uniformity.

MR. R. LANGFORD JAMES (Bengal) :—The Bengal Chamber is in agreement with the sense of this resolution, but we do just foresee one difficulty, and that is this ; that there may be possibly at times such a thing in this country as a solvent province. I understand Assam was solvent last year, and it appears to us a little hard that because Bengal is insolvent, and has to raise its stamp duty, *ipso facto*, Assam must put her stamps up also. I think that after the word "secure", if we add "as far as possible", it might meet the point.

MR. E. GRANT GOVAN (Punjab) supported Mr. R. Langford James's proposal.

SIR MONTAGU WEBB :—It appears to me at first glance that the introduction of the words "as far as possible" destroys the object of the motion before the meeting. It is no use having uniformity "as far as possible". If that is the case, documents will go all over India as at present and precisely the same trouble will arise as though the resolution had never been passed. You cannot have a thing "*nearly* right" nor "*nearly* uniform". It is either right or it is uniform. I am afraid I shall have to object to and oppose the introduction of the words "as far as possible". If Bengal lapses into bankruptcy and has to put its stamp duty up, there is nothing for it but for all other Governments to do the same.

THE PRESIDENT then put to the meeting the amendment:—

That the words "as far as possible" be inserted after the word "secure" in the resolution.

On a show of hands being taken the amendment was declared lost.

The resolution was then put to the meeting and, on a show of hands, was declared carried.

No. 620-A.C. of the 25th April 1923.

**From the Associated Chambers of Commerce of India
and Ceylon, Bombay, to the Chamber.**

Indian Stamp Duties.

With reference to the discussion on the above subject that took place at the Annual General Meeting of the Association held last January, I am desired by the President to forward to you a copy of the marginally noted letter from the Government of Bombay and to invite any comments that your Chamber may wish to put forward in that connection.

Letter No. 185/3, dated 23rd April 1923, Government of Bombay to the Associated Chambers of Commerce.

No. 1853-A. of the 23rd April 1923.

**From the Government of Bombay (Finance Department)
to the Associated Chambers of Commerce of India
and Ceylon, Bombay.**

I am directed to invite a reference to your No. 217/A.C. of the 8th February, 1923, forwarding for consideration of the Government of Bombay a resolution to the following effect:—"That all Provincial Governments be asked to co-operate with each other to secure uniformity in the rates of duty for non-judicial stamps." I am further to invite a reference to your subsequent letter No. 387/A.C. of the 28th February, 1923, forwarding a copy of the report of the discussion which preceded the adoption of this resolution, and am directed to give the following reply.

2. The only argument adduced in favour of the resolution was that owing to the prevailing lack of uniformity, many people in one part of the country send documents to be stamped in another Province, where duties were lighter. I am to say that so far as this Presidency is concerned, this objection has been met by the new Section 19A added by the Bombay Amendment Act, which lays down that documents stamped elsewhere in India should, when acted upon in this Presidency, be stamped with the difference, if any, between the duty already paid and the duty payable in the Bombay Presidency.

3. Further, I am to point out that the objection raised at the Annual General Meeting of the Associated Chambers of Commerce by Mr. Langford James, was a very real one, and does not appear, from the report of the meeting, to have been met by any one there

present. Non-Judicial Stamps is one of the items of provincial revenue, and provincial revenues are not very easily expandable. The revenues to be raised in any Province must depend on the needs of that particular Province and it would appear, in present financial conditions, that any co-operation by Provincial Governments in the direction of standardising the rates of duty for non-judicial stamps could only be taken by levying each stamp duty at the highest rate at which it is levied in any Province. Government do not think that such a general enhancement of stamp duties would commend itself to the Associated Chambers.

4. I am further to invite attention to the fact that under item 20 of part II to Schedule I of the Devolution Rules issued under the Government of India Act, the control of Provincial Governments over non-judicial stamps is subject to legislation by the Indian Legislature. It is therefore already possible for the Central Government to insist on the adoption by Provincial Governments of uniform rates of duty on non-judicial stamps, in cases where the Central Government consider that course is necessary.

5. If absolute uniformity for all rates of duty for non-judicial stamps were considered necessary, it would appear almost essential that non-judicial stamps should cease to be an item of provincial revenue and become a source of Central revenue. In such a case, it would be necessary to compensate provincial revenues by any assignment of some source of revenue which is at present Central, such as, for example, a further share in the Income-tax. Government do not consider that the importance of the present subject would in itself justify so drastic a change in the relations between the Central and Provincial Governments; nor, for reasons which have been given above, do Government consider that closer co-operation with other Provincial Governments would have any beneficial result.

No. 1232-54 of the 17th May 1923.

**From the Chamber to the Associated Chambers of
Commerce of India & Ceylon, Bombay.**

Indian Stamp Duties.

I am directed to acknowledge the receipt of your letter, No. 620-A.C., dated the 25th April, 1923, with which you enclosed a copy of a letter from the Government of Bombay on the above subject and in reply I am to state that the statement and opinions expressed by the Government of Bombay have been noted and recorded.

APPENDIX F-5.

SALE OF NON-JUDICIAL STAMPS THROUGH THE AGENCY OF THE POST OFFICE.

No. 5150 of the 10th December 1923.

From the Superintendent of Stamps, Bombay, to the Chamber.

I have the honour to state that the present stamp-vending arrangements and the possibility of offering greater facilities to the Public in connection with the purchase of stamps required by them, is under the consideration of Government. In addition to the sale of all kinds of stamps at the General Stamp Office, Town Hall, Bombay, the Licensed Stamp Vendors in this City sell Non-Judicial stamped papers and Adhesive labels, viz., Foreign Bill, Share Transfer and Insurance at the following centres.

- (1) Abdul Rehman Street, (2) Shaik Memon Street (Mumbadevi), (3) Elphinstone Circle, (4) Dalal Street, (5) Parsee Bazar Street, (6) Oak Lane, (7) Kalbadevi, (8) Nal Bazar, (9) Dadar.

2. As it is probable that the sale of the Non-Judicial stamps noted above, if carried on through the Post Offices in the above localities, will be more convenient to the Public than the sales through the Licensed Stamp Vendors or equally convenient and will also be more economical to Public funds, I have the honour to request that you will be so good as to favour me with your opinion as to whether the sale of non-judicial stamps through the Post Office Agency will be more or equally convenient to the commercial community and to the Public.

3. I request the favour of an early reply.

No. 2522-293 of the 21st December 1923.

From the Chamber to the Superintendent of Stamps, Bombay.

I am directed to acknowledge the receipt of your letter, No. 5150, dated the 10th December, 1923, in which you invite an expression of my Committee's views on the question

of the proposed sale of non-judicial stamps through the Post Office Agency.

2. In reply I am to state that my Committee have no objections to raise in regard to the change suggested which will, they think, prove equally convenient to the Commercial Community and the general public.

APPENDIX G-1.

ALLOWANCES IN RESPECT OF INSURANCE PREMIA AGAINST LOSS OF PROFITS.

No. 1474 I. T. of the 22nd November 1923.

**From the Member, Central Board of Revenue, to the
Chamber.**

I have the honour to state that in accordance with the recommendations made by the Joint Select Committee on the Indian Income-tax Bill, 1921, instructions were issued in para. 41 on page 91 of the Income-tax Manual that a deduction of premia on account of insurance against loss of profit might be allowed, where the owner of a business asked for such allowance, provided that he agreed in writing to pay tax on the amount recovered from the insurance company in respect of such policy. It has been found that as there is no time limit within which the owner should apply for the allowance, the latter condition is nugatory. Assessments are made on the previous year's income. At the time of the assessment, it is practically always known whether or not any claim can arise in respect of a particular insurance. The assessee only asks for the allowance where no claim can arise. This is clearly unfair to Government. The idea was that if the assessee claimed the allowance, he should take his chance of having to pay tax on any sum paid to him under the policy; while, if he was not prepared to take that chance, he should waive his claim to the allowance. It has accordingly been decided to prescribe a time-limit and to re-draft the instructions in para. 41 of the Manual as follows:—

“The Act does not contemplate the deduction of premia on account of insurance against a loss of profit. If, however, the owner of a busi-

ness elects to claim any such allowance, he should signify his intention to the Income-tax Officer, within one month of the date when the insurance was made to which the premium relates, and, if he simultaneously agrees in writing to pay tax on any amounts recovered from the insurance company under such policy, the allowance will be granted."

This re-draft will be embodied in the Manual through the monthly list of corrections which will be issued in due course. Your Chamber may be interested to know the considerations that led in to the revised instructions which will I feel confident appeal to you as reasonable.

No. 2584-285 of the 14th December 1923.

**From the Chamber to the Member, Central Board
of Revenue, Delhi.**

I am directed to acknowledge the receipt of your letter, No. 1474-I.T., dated the 22nd November 1923, on the subject of the revision of paragraph 41 of the Income Tax Manual, and in reply to state that my Committee regard the provisions of the revised instructions in the circumstances set forth in your letter as reasonable and have no objections to raise in regard thereto.

No. 30 I. T. of the 8th January 1924.

**From the Member, Central Board of Revenue,
to the Madras Chamber.**

In reply to your letter, No. Nil, dated the 22nd December 1923, I have the honour to state that the Board sees no objection to the suggestion made by your Chamber and has decided to revise paragraph 41 of the Income-tax Manual as follows :—

"The Act does not contemplate the deduction of premia on account of insurance against a loss of profit. If, however, the owner of a business elects to claim any such allowance, he should signify his intention to the Income-tax Officer and if he makes a declaration in writing, undertaking generally to pay the tax on any amounts recovered from an Insurance Company under any such policy or policies, the allowance will be granted

in respect of the premia for any such policies that he may have taken out not more than a month before the date of such declaration or that he may take out subsequent thereto."

This re-draft will be embodied in the Manual through the monthly list of corrections.

No. 31 I. T. of the 8th January 1924.

Copy forwarded to all Commissioners of Income-tax and other Chambers of Commerce in continuation of the Board's letter No. 1474 I. T., dated the 22nd November 1923.

APPENDIX G-2.

INCOME-TAX ON INCOME DERIVED FROM THE MANUFACTURE OF INDIGO.

No. 10 S. of the 12th January 1923.

**From the Government of India, Finance Department,
to the Chamber.**

I am directed to enclose a copy of this Department Notification No. 9-S, dated the 12th January 1923, exempting from the payment of income-tax the income derived from the manufacture of indigo till the 31st March 1925 and to add that the exemption now granted will not be renewed for any further period.

No. 9-S.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

DELHI, the 12th January 1923.

Notification.

Separate Revenue—Income-tax.

In exercise of the powers conferred by Section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor-General in Council

is pleased to direct that the following further amendment shall be made in the notification of the Government of India in the Finance Department No. 878-F., dated the 21st March 1922, namely :—

In para. (a) of the said notification, for entry (20), the following shall be substituted, namely :—

“(2) the income derived from the manufacture of indigo for a period of four years commencing with the 1st April 1921.”

APPENDIX G-3.

TAXATION OF TRAMP STEAMERS.

The following Act of the Indian Legislature received the assent of the Governor-General on the 25th July 1923.

ACT NO. XXVII OF 1923.

An Act further to amend the Indian Income-tax Act, 1922, for certain purposes.

XI of 1922 WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for certain purposes hereinafter appearing; it is hereby enacted as follows :—

Short title. 1. This Act may be called the Indian Income-tax (Further Amendment) Act, 1923.

XI of 1922. Amendment of section 4, Act XI of 1922. 2. In sub-section (2) of section 4 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act), for the words “shall be deemed to be profits and gains of the year in which they are received or brought into British India,” the following words shall be substituted, namely :—

“shall, if they are received in or brought into British India, be deemed to have accrued or arisen in British India and to be profits and gains of the year in which they are so received or brought.”

Insertion of new Chapter VA in Act XI of 1922. 3. After Chapter V of the said Act, the following Chapter shall be inserted, namely :—

“CHAPTER VA.”

Special provisions relating to certain classes of shipping.

Liability to tax of occasional shipping. 44A. The provisions of this Chapter shall, notwithstanding anything contained in the other provisions of this Act, apply for the purpose of the levy and recovery of tax in the case of any person who

resides out of British India and carries on business in British India in any year as the owner or charterer of a ship (such person hereinafter in this Chapter being referred to as the principal), unless the Income-tax Officer is satisfied that there is an agent of such principal from whom the tax will be recoverable in the following year under the provisions of this Act.

44B. (1) Before the departure from any port in British India of any ship in respect of which the provisions of this Chapter apply, the master of the ship shall prepare and furnish to the Income-tax Officer a return of the full amount paid or payable to the principal, or to any person on his behalf, on account of the carriage of all passengers, live-stock or goods shipped at that port since the last arrival of the ship thereat. Return of profits and gains.

(2) On receipt of the return, the Income-tax Officer shall assess the amount referred to in sub-section (1), and for this purpose may call for such accounts or documents as he may require, and one-twentieth of the amount so assessed shall be deemed to be the amount of the profits and gains accruing to the principal on account of the carriage of the passengers, live-stock and goods shipped at the port.

(3) When the profits and gains have been assessed as aforesaid, the Income-tax Officer shall determine the sum payable as tax thereon at the rate for the time being applicable to the total income of a company and such sum shall be payable by the master of the ship, and a port clearance shall not be granted to the ship until the Customs Collector, or other officer duly authorised to grant the same is satisfied that the tax has been duly paid.

44C. Nothing in this Chapter shall be deemed to prevent a principal from claiming, in any year following that in which any payment has been made on his behalf under this Chapter, that an assessment be made of his total income in the previous year, and that the tax payable on the basis thereof be determined in accordance with the other provisions of this Act, and, if he so claims, any such payment as aforesaid shall be treated as a payment in advance of the tax and the difference between the sum so paid, and the amount of tax found payable by him shall be paid by him or refunded to him, as the case may be. Adjustment.

No. 1959/247 of the 31st August 1923.

**From the Chamber to the Income-tax Commissioner,
Bombay.**

I am directed by my Committee to refer to the Amendment to the Indian Income-tax Act, 1922, passed by the Legislative

Assembly at the recent July session, under which my Committee understand it is the intention of the Government of India immediately to enforce the levy of taxation on Tramp Steamers.

2. I am to say that my Committee view with alarm any hurried measures in this connection which might tend to delay the clearance of vessels and they would appreciate any information that you may be in a position to give as to what procedure it is proposed to adopt in order that all incoming steamers may immediately be informed that they are required to comply with certain new income-tax regulations before final clearance can be obtained from the Port Officer.

No. C.R./828 of the 5th September 1923.

**From the Commissioner of Income-tax, Bombay
Presidency, to the Chamber.**

I am in receipt of your letter No. 1959/247, dated 31st August 1923.

2. With reference to the Amendment to the Indian Income-tax Act, 1922, passed by the Legislative Assembly and notified in the *Government of India Gazette* (Part IV), dated 28th July, 1923, by which it was enacted that "Tramp Steamers" are liable to pay Indian Income-tax, I have the honour to inform you that arrangements have been made with the Collector of Customs whereby Masters of Ships are to receive a copy of the new income-tax regulation and also full directions as to the procedure to be followed in connection therewith in order that there may be no delay in their obtaining a final clearance certificate. The Collector of Customs is also supplied with a list of about 56 Steamship Companies and Ship owners whose ship masters will not be required to produce an income-tax receipt for the purpose of obtaining the necessary port clearance as the responsibility for the payment of the tax has been accepted by an Agent or Agents on shore.

3. In connection with the working of the new regulation numerous difficulties may possibly arise which could be more

satisfactorily settled after consultation with the Agents and Charterers concerned than if decided *ex parte* by the Income-tax Officer. I would be glad to hear whether it could be arranged for a small Committee composed of these interested to meet and discuss the new regulation.

No. 2073/247 of the 22nd September 1923.

From the Chamber to the Commissioner of Income-tax, Bombay Presidency.

Income-Tax on Tramp Steamers.

I have the honour to acknowledge the receipt of your letter, No. C. R. 828, dated the 5th September 1923, on the subject noted above.

2. In reply I am to say that my Committee are glad to note that steps are being taken to acquaint the Masters of Ships with the new regulations and procedure in order that there may be no delay in their obtaining final clearance certificates.

3. In reply to the second paragraph of your letter in which you kindly invite my Committee to appoint a small Sub-Committee to meet you and discuss the details of the new regulations, I am to say that my Committee have appointed Messrs. N. Birrell, V. A. Grantham and T. E. Cunningham to form such a Committee. I am to add that the rooms of this Chamber will be placed at your disposal at any time for this purpose if it be convenient for you to meet the Committee in this office.

No. C. R./828 of the 8th October 1923.

From the Commissioner of Income-tax, Bombay Presidency, to the Chamber.

Income-Tax on Tramp Steamers.

I have the honour to acknowledge receipt of your letter No. 2073/247, dated 22nd September 1923, and thank you

Committee for the assistance rendered in appointing a sub-committee to discuss the details of the new regulations and so kindly permitting the rooms of the Chamber to be used for the purpose of the committee meeting.

APPENDIX G-4.

AVOIDANCE OF SUPER-TAX BY THE FORMATION OF BOGUS FIRMS AND COMPANIES.

No. 196-S. of the 23rd July 1923.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

SIMLA, *the 23rd July 1923.*

From the Government of India (Finance Department) to the Chamber.

It has recently been brought to the notice of the Government of India that a tendency to attempt avoidance of super-tax is showing itself by the formation of bogus firms and private companies in which the partners and shareholders, respectively, are the wives and children of the owners of the business, even where the children are minors. In this way the super-tax payable by the partners in firms is much reduced or liability is avoided altogether, while the shareholders in companies may pay no more than the flat rate of super-tax to which all companies are liable. Instances have also occurred in which the principal shareholders in private companies receive a large personal income without liability to super-tax by taking from the companies large loans without interest, a proceeding which is in reality a distribution of profits. The loss of revenue which is being incurred by the constitution of such bogus firms and private companies is already not inconsiderable and is likely to increase, while complaints have also been made that the ordinary firm which pays its full quota of tax is heavily handicapped in its business

as compared with those which escape. The Government of India, therefore, are of opinion that the question of taking preventive measures and of initiating legislation for this purpose should be considered.

2. So far as a firm is concerned the Government of India are disposed to think that the object could probably be best achieved by laying down that where the interest of any partner is in reality fictitious and has been created chiefly with reference to the distribution of profits, such interest for the purpose of assessment to super-tax shall be deemed to be the interest of the remaining partner or partners, and in particular that the interest of a wife or children in such cases shall be deemed to be the interest of the husband or father, respectively. As an instance of the type of firm which would be dealt with in the suggested legislation may be quoted a case in which a husband admitted his wife as a partner in his business by a partnership deed which provided *inter alia* that the bankers of the partnership should be such bank or banks as the husband might determine, that all capital and assets belonging to the business on the date of the partnership so created should belong to the husband, that all capital that might thereafter be brought in should belong absolutely and exclusively to the husband, that the wife should not be required to bring in any capital and should not be interested in or entitled to the capital invested or used in the partnership business or belonging thereto, that the net profits of the business should be divided between the partners equally, that the usual books of accounts should be kept at the place of business and should not be removed from it without the consent of the husband, that the husband should have the sole and exclusive management of the partnership business during his life-time and it should not be necessary or lawful for the wife to take any part or in any way interfere in the conduct or management of the business, that the husband should be entitled to determine the partnership any time by notice in writing to his wife, that the partnership should stand determined on the death of the wife, that on the determination of the partnership the business, its good-will, and all its assets and liabilities should belong exclusively to the husband, who, however, bound himself to pay to her or her heirs the

amount at which her share in the capital and assets of the business stood in the last balance-sheet with interest at a specified rate. It is clear from the recital of this typical case that the sole object of the partnership was to escape taxation. But while suggesting legislation for firms of this class the Government of India wish it to be clearly understood that there is no question of interfering with firms in which all the partnerships are genuine and which represent a pooling of ability or resources for the genuine purposes of the business. In particular the position of the salaried partner, where he is a real partner, will be recognized as such even though his interest be limited.

3. Two methods of dealing with the case of private companies have been considered: (i) to add a section to the Indian Income-tax Act, 1922, on the lines of section 21 (with its schedule) of the British Finance Act, 1922, of which a copy is appended, or (ii) to declare that for the purpose of the Income-tax Act a private company shall be deemed to be a registered firm. Neither course is free from difficulty. Even if the second alternative were adopted, the assessment would be on the registered firm and if the members were of one family, the position would be that which it is desired to defeat, as stated in the foregoing paragraph of this letter. Further, as the Indian Companies Act allows, or recognizes, the formation of private companies, it may be argued that such companies should be recognized, by the Government in fiscal matters and that other means should be sought to defeat the avoidance of taxation than by abrogating the law for this purpose. The Government of India, therefore, are disposed to consider that Indian Income-tax Act should be amended in accordance with British legislation on the same subject. They do not propose to give income-tax officers any powers in this respect, but would lay down that where an Assistant Commissioner of Income-tax considers that any private company has not distributed to its members a reasonable part of its income from all sources for a given year, he may for the purpose of assessment to super-tax direct that the income of the company shall be deemed to be the income of the members, the amount being apportioned accordingly. An appeal would lie to the Commissioner of Income-tax

and it may be possible to provide for it to be reheard by a provincial Board of Referees which would resemble the Boards appointed when the Excess Profits Duty Act was in force.

4. A careful definition of what is meant by a private company will be needed, and it is proposed to adopt the provisions of section 21 of the British Finance Act, 1922, and of the Indian Companies Act, 1913, for the purpose. As the question of the avoidance of taxation has only arisen since the Super-tax Act of 1920 was enacted it is intended that only private companies which were formed after the 1st April 1920 shall be brought within the purview of the proposed legislation. The other principal points in the definition would be :—

- (i) the limitation of the number of a company's shareholders or members to 50, the number of shareholders being computed after excluding any shareholder who is a trustee or nominee for some person otherwise owing or beneficially interested in shares in a company, or is the employee of the company or is the wife or the infant child of a beneficial owner of shares in the Company ;
- (ii) the restriction of the right to transfer shares ;
- (iii) the prohibition of any invitation to the public to subscribe for any shares or debentures ; and
- (iv) the control of the company by not more than five persons. The company would be deemed to be under the control of and persons where the majority of the voting powers or shares is in the hands of those persons or relatives or nominees of those persons, or where the control is by any other means whatever in the hands of those persons ; the term "relative" would mean husband or wife, ancestor or lineal descendant, brother or sister, and "nominee" would include a person who may be required to exercise his voting power on the directions of, or hold shares directly or indirectly on behalf of, another person. Persons in partnership and persons interested in the estate of a deceased person or in property held on a trust would, respectively, be deemed to be a single person.

5. The Government of India are anxious that the proposals in this letter which are of a novel kind but which are based in fact on the procedure followed in Great Britain should be scrutinized as closely as possible and they would be glad to receive the views of your Chamber regarding both the necessity for legislation and the form which that legislation should take and, in particular, the feasibility of establishing Boards of Referees who would command the confidence of the commercial community.

Extract from the Finance Act, 1922 (12 and 13 Geo. 5, ch. 17).

* * * * *

21. With a view to preventing the avoidance of the payment of super-tax through the withholding from distribution of income of a company which would otherwise be distributed, it is hereby enacted as follows :—

Super-tax on undistributed income of certain companies.

(1) Where it appears to the Special Commissioners that any company to which this section applies has not, within a reasonable time after the end of any year or other period ending on any date subsequent to the fifth day of April nineteen hundred and twenty-two, for which accounts have been made up, distributed to its members in such manner as to render the amount distributed liable to be included in the statements to be made by the members of the company of their total income for the purposes of super-tax, a reasonable part of its actual income from all sources for the said year or other period, the Commissioner may, by notice in writing to the company, direct that for purposes of assessment to super-tax the said income of the company shall, for the year or other period specified in the notice, be deemed to be the income of the members, and the amount thereof shall be apportioned among the members :

Provided that, in determining whether any company has or has not distributed a reasonable part of its income as aforesaid, the Commissioners shall have regard not only to the current requirements of the company's business but also to such other requirements as may be necessary or advisable for the maintenance and development of that business.

(2) Any super-tax chargeable under this section in respect of the amount of the income of the company apportioned to any member of the company, shall be assessed upon that member in the name of the company, and, subject as hereinafter provided, shall be payable by the company, and all the provisions of the Income-tax Acts and

any regulations made thereunder relating to super-tax assessments and the collection and recovery of super-tax shall, with any necessary modification, apply to super-tax assessments, and to the collection and recovery of super-tax charge under this section.

(3) A notice of charge to super-tax under this section shall in the first instance be served on the members of the company on whom the tax is assessed, and if that member does not within twenty-eight days from the date of the notice elect to pay the tax a notice of charge shall be served on the company and the tax shall thereupon become payable by the company ;

Provided that nothing in this sub-section shall prejudice the right to recover from the company the super-tax charged in respect of any member who has elected as aforesaid but who fails to pay the tax by the first day of January in the year of assessment or within twenty-eight days of the date on which he so elected, whichever is later.

(4) Any undistributed income which has been assessed and charged to super-tax under this section shall, when subsequently distributed, be deemed not to form part of the total income from all sources for the purposes of super-tax of any individual entitled thereto.

Where a member of a company has been assessed to and has paid super-tax otherwise than under this section in respect of any income which has also been assessed and upon which super-tax has been paid under this section, he shall, on proof to the satisfaction of the Special Commissioners of the double assessment, be entitled to repayment of so much of the super-tax so paid by him as was attributable to the inclusion in his total income from all sources of the first mentioned income.

(5) Where super-tax is charged under this section in respect of the income of a company for any year or other period, the Commissioners of Inland Revenue shall, on certificate from the Special Commissioners that the super-tax has been accounted for, repay to the company the amount of any corporation profits tax paid by the company in respect of the corresponding accounting period or part thereof.

(6) This section shall apply to any company—

- (a) which has, since the fifth day of April, nineteen hundred and fourteen, been registered under the Companies Acts, 1908 to 1917; and
- (b) in which the number of shareholders computed as herein after provided is not more than fifty ; and
- (c) which has not issued any of its shares as a result of a public invitation to subscribe for shares ; and

- (d) which is under the control of not more than five persons.
For the purposes of this sub-section—

In computing the number of shareholders of a company there shall be excluded any shareholder who is a trustee or nominee for some person otherwise owning or beneficially interested in shares in the company, or who is an employee of the company, or is the wife or the unmarried infant child of a beneficial owner of shares in the company ;

A company shall be deemed to be under the control of any persons where the majority of the voting power or shares is in the hands of those persons or relatives or nominees of those persons, or where the control is by any other means whatever in the hands of those persons ;

The expression "relative" means a husband or wife, ancestor, or lineal descendant, brother, or sister ;

The expression "nominee" means a person who may be required to exercise his voting power on the directions of, or holds shares directly or indirectly on behalf of, another person ;

Persons in partnership and persons interested in the estate of a deceased person or in property held on a trust shall, respectively, be deemed to be a single person.

(7) In this section the expression "member" shall include any person having a share or interest in the capital or profits or income of a company, and the expression "employee" shall not include any governing director, managing director, or director.

(8) The provisions contained in the first Schedule to this Act shall have effect as to the computation of the actual income from all sources of the company, the apportionment thereof amongst members of the company, and otherwise for the purpose of carrying into effect, and in connection with this section.

(9) The provisions of this section shall apply for the purposes of assessment to super-tax for the year 1923-24 and any succeeding year of assessment.

* * * * *

FIRST SCHEDULE.

1. A company which is aggrieved by any direction given under section twenty-one of this Act may appeal to the Special Commissioners against the direction by giving notice of appeal to the clerk to the Commissioners within twenty-one days after the date of the

notice, and the Commissioners shall hear and determine the appeal, subject as herein provided, and the provisions of the Income-tax Acts relating to appeals against assessments shall, with any necessary modification, apply for the purposes of an appeal under this provision.

2. If either the Company or the Commissioners of Inland Revenue are dissatisfied with the determination of the Special Commissioners on any appeal under the foregoing provisions of this schedule, they may, on giving notice to the clerk to the Special Commissioners within twenty-one days after the determination, require the appeal to be reheard by the Board of Referees and the Special Commissioners shall transmit to the Board any document in their possession which was delivered to them for the purposes of the appeal.

The Board shall rehear and determine the appeal and shall have and exercise the same powers and authorities in relation to the appeal as the Special Commissioners might have and exercise, and the determination of the Board thereon shall be final and conclusive :

Provided that section one hundred and forty-nine of the Income-tax Act, 1918 (which relates to the statement of a case on a point of law) shall apply with the necessary modifications in the case of any such rehearing and determination as it applies in the case of appeals to the General or Special Commissioners under the said Act.

3. The provisions of sub-section (6) of section seven of the Income-tax Act, 1918, relating to the representation of the Crown on super-tax appeals, shall with the necessary modifications, apply to any appeal under this schedule.

4. The Special Commissioners may, at any time by notice in writing, require any company which appears to them to be a company to which section twenty-one of this Act applies, to furnish them with—

- (a) a statement of the actual income of the company from all sources, together with a copy of the company's accounts for any year or other period for which the company's accounts have been made up and such particulars as the Commissioners may reasonably require as to the income of the company and the manner in which the income has been dealt with and
- (b) a statement for the same period of the names and addresses and particulars of the respective interests of all members of the company.

5. Where the Special Commissioners have issued a notice requiring a company to furnish them with particulars under paragraph 4 of this schedule as respects any year or other period, and the auditor of the accounts of the company is a member of an incorporated society of

accountants, the directors may, if they think fit, make and submit to the auditor such a statutory declaration as is hereinafter mentioned, and in such case the following provisions shall have effect :—

- (a) The directors of the company shall make a statutory declaration as to—
 - (i) The amount which they regard, or regarded, as proper to be retained in the business out of the income of that year or other period ; and
 - (ii) the amount (if any) which they propose to recommend for distribution, or which has been distributed ;
 setting out the reasons for such retention and giving such information as will enable the auditor to form an opinion whether the amount (if any) proposed for distribution or distributed, having regard to such requirements as are mentioned in the proviso to sub-section (1) of the said section twenty-one, would be, or was, a reasonable part of the income for such year or other period ;
- (b) If the auditor—
 - (i) is satisfied that the information disclosed in the declaration is sufficient to enable him to form an opinion as to whether the proposed distribution or distribution (if any) would be or was a reasonable part of the income for such year or other period as aforesaid ; and
 - (ii) is satisfied that a *prima facie* case is made out by the reasons and information given in the declaration that the proposed distribution or distribution (if any) would be or was reasonable ,
 he may so certify :
- (c) The certificate, together with the statutory declaration, shall be sent to the Special Commissioners who, unless they see reason to the contrary, shall take no further action in the matter.

6. In computing the actual income from all sources of a company for any year or period, the income from any source shall be estimated in accordance with the provisions of the Income-tax Act relating to the computation of income from that source ; except that the income shall be computed by reference to the income for such year or period as aforesaid and not according to an average of more than one year or by reference to any year or period other than such year or period as aforesaid.

7. If any company fails or refuses on being so required in accordance with the provisions of this schedule to furnish a statement of actual income from all sources or renders a statement with which the Special Commissioners are not satisfied, the Commissioners may make an estimate of that income to the best of their judgment.

8. The appointment of the actual income from all sources of the company shall be made by the Special Commissioners in accordance with the respective interests of the members, and the income as apportioned to each member shall, for the purposes of super-tax, be deemed to represent his income from his interest in the company for the year or other period and shall be included in the statement of his total income or in an amended statement of total income which the Special Commissioners are hereby authorized to require and shall be deemed to be the highest part of that income.

9. The income apportioned to a member of a company under section twenty-one of this Act shall, for the purposes of super-tax, be deemed to have been received by him at the date to which the accounts of the company for the year or period were made up.

10. Notice of any apportionment made by the Special Commissioners shall be given by serving on the company a statement showing the amount of the actual income from all sources adopted by them for the purposes of section twenty-one of this Act, and either the amount apportioned to each member or the amount apportioned to each class of shares, as they think fit.

A company which is aggrieved by any notice of apportionment shall be entitled to appeal to the Special Commissioners on giving notice to their clerk within twenty-one days after the date of the notice, and those Commissioners shall hear and determine the appeal and all the provisions of the Income-tax Act and any regulations made thereunder relating to appeals against assessments and to cases to be stated for the opinion of the High Court shall, with any necessary modification, apply for the purposes of any such appeal.

11. Any person in whose name any shares of a company are registered shall, if required by notice in writing by the Special Commissioners, state whether or not he is the beneficial owner of those shares and if not the beneficial owner of those shares or any of them shall furnish the name and address of the person or persons on whose behalf the shares are registered in his name.

If any person on being so required neglects or fails to comply with the notice within the time limited by the notice, he shall be liable to a penalty of twice the amount of super-tax that would be chargeable at the highest rate in respect of the amount of the income apportioned to such shares.

12. In this schedule the expression "Board of Referees" means the Board of Referees for the purposes of Rule 6 of the rules applicable to Cases I and II of Schedule D.

No. 2151/40 of the 5th October 1923.

**From the Chamber to the Government of India,
Finance Department, Simla.**

I have the honour to acknowledge the receipt of your letter No. 196/S., dated the 23rd July 1923, on the subject of the proposed amendment of the Income-tax Act, 1922, to prevent the avoidance of super-tax by the formation of bogus firms and companies.

2. In reply I am to say that my Committee have carefully examined the proposals put forward in your letter and they consider that the general idea underlying them is sound and should be proceeded with, and they approve of the proposed amendments subject to the following exceptions.

3. In your letter you ask my Committee whether they would approve of the formation of provincial Boards of Referees to hear appeals that may arise in connection with the proposed amendments, the Boards to be similar to the Boards appointed when the Excess Profits Duty Act was in force, and you further ask whether my Committee think that the formation of such Boards would be feasible and whether they would command the confidence of the commercial community.

4. In reply to these questions I am to say that my Committee very strongly disapprove of the idea of forming such Boards of Referees, they consider that it would not be feasible to establish them and they feel quite certain that they would not command any confidence whatsoever from the commercial community.

5. It has been suggested to my Committee that appeals in this connection should be heard before a Judge in Chambers instead of before a Board of Referees. My Committee would be prepared to approve of appeals so being heard, provided such hearings took place strictly in camera. Ordinary cases heard before a Judge in Chambers are not held in camera but if it could be arranged that appeals in connection with income-tax and super-tax were heard in camera then my Committee consider that it would provide a satisfactory method of hearing such appeals.

6. In paragraph 5 of the Schedule accompanying your letter are set out particulars of a declaration regarding the retention and distribution of profits, to be made by the directors of a company, and certified by the company's auditor if he is satisfied that the distribution is reasonable. My Committee consider that the duty of certifying to the reasonableness of the distribution of profits is not one which could fairly be laid upon an auditor.

7. In paragraph 4 of your letter it is proposed that one of the principal points in the definition of a private company for the purposes of the amendments under consideration, is the control of the company by not more than five persons. This is an addition to the definition of a private company laid down in the Indian Companies Act and I am to say that my Committee do not understand what advantage is to be gained by departing from that definition in this way, but they see no objection to it, provided a company is not classed as a private company unless it also possesses all the qualifications of a private company laid down in the Companies Act, *i.e.*, those mentioned in paragraph 4 (i), (ii) and (iii) of your letter.

APPENDIX G-5.

FLOTATION OF BOGUS FOREIGN COMPANIES IN INDIA.

No. 834 of the 14th July 1923.

**From the Registrar of Companies, Bombay, to the
Chamber.**

I am directed by the Governor in Council to invite the attention of your Chamber to the collection of capital in this country by unsound foreign companies and to request that I may be favoured with their suggestions as to what measures could be adopted to counteract attempts at such collection.

The accompanying circulars* relating to certain companies incorporated in America indicate the sort of collection of capital which it is desired to prevent but it will be seen that where a foreign company has filed the necessary documents under section 277 of the Indian Companies Act, 1913, it may issue any prospectus so long as the country in which the company is incorporated is disclosed.

3. I am to request that I may meet your Committee to explain to them the difficulties that arise as to any safeguards in the matter.

No. 1784-226 of the 2nd August 1923.

**From the Chamber to the Registrar of Companies,
Bombay.**

I have the honour to acknowledge the receipt of your letter No. 834, dated the 14th July 1923, on the subject of preventing the flotation of bogus foreign companies.

My Committee have very carefully considered your request for suggestions as to how the collection of money in this country by unsound foreign companies could be prevented but they are unable to suggest with confidence any measure which they think would completely prevent such companies from exploiting the credulity of the ignorant section of the Indian populace. I am, however, to put forward the idea that the activity of such companies and/or their promoters might be curtailed if they were obliged, before they could file the documents required by Section 277 of the Indian Companies Act, to produce a certificate, endorsed by the Government of the country where the company is registered, to the effect that a certain percentage, say 25 per cent., of the authorised capital of the company has already been subscribed in cash.

* Not printed.

APPENDIX H-1.

REGISTRATION OF BUSINESS NAMES AND PARTNERSHIPS.

Extract from the Proceedings of the Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon held at Bombay on Monday, 3rd December 1923.

MR. (NOW SIR) FRANK NELSON, *President in the Chair.*

MR. P. MUKERJEE (Punjab):—Mr. President and Gentlemen,—I rise to move the resolution which stands in the name of the Punjab Chamber and reads as follows:—

“That this Association invites the attention of Government to the resolutions regarding the advisability of provision by law for the registration of Business Names and Partnerships adopted at the First Conference of the Chambers of Commerce of India and Ceylon in 1905, and by this Association in 1920 and 1921 and strongly urges that legislation on these important subjects should not be delayed any longer.”

Similar resolutions were passed by the Association in 1920 and 1921 and by the first Conference of the Indian and Ceylon Chambers of Commerce in 1905. Other commercial bodies also addressed Government on the advisability and desirability of compulsory registration of business names and partnerships by legislation. There has been substantial agreement in their opinion and I do not wish to waste the time of this meeting by endeavouring to traverse the same ground over again except to emphasize that the existing uncertainty between trading parties as to the exact identity of each other fosters lack of confidence which hampers the development of commerce in this country. These impediments can only fittingly be removed by legislative action which it is the object of the resolution to achieve. The primary object with which my Chamber has asked me to move this resolution is

as the resolution itself indicates, to secure quick legislation, but if that is not possible, at least to ascertain from Government the position as it obtains to-day. In his speech in connection with a similar resolution passed by this Conference in 1921 Sir Thomas Holland observed :—

“ The old difficulties have been gone over and what stand in the way, as far as I understand, with reference to the registration of partnerships, are a certain number of legal snags that have to be removed.”

He further said :—

“ You have now got all the Chambers in one Association and have a representative on the Imperial Legislative Assembly through whom you can put your case forward.”

In closing the debate, Sir Robert Watson Symth regretted that these difficulties were not made known to us so that we could have assisted Government. Years have elapsed since then and we are still in the dark about these difficulties. It is time that we knew the nature of these difficulties and whether they could be surmounted. As regards putting forward the case through our representative in the Imperial Legislative Assembly, as this Association as such has no direct representation it would be far more preferable if Government would kindly take the initiative and bring before the Assembly an official Bill as early as this can conveniently be done.

MR. C. E. WOOD (Madras) :—Mr. President,—The mover of this resolution has given us the history of our efforts to bring about the legislation in regard to the registration of business names and partnerships in this country. Our efforts have not been confined to our talks in the annual meetings of this Association ; but Madras (I think Bengal also) and Bombay went to a great deal of trouble, and expense of both money and time, in drafting Bills with the object of assisting Government. Government did not, I think, adopt a helpful attitude. As the mover of the resolution has said, Sir Thomas Holland regretted that the Bengal and Bombay Chambers had not introduced any suggestions that we should do something to obtain suitable legislation along these lines. Fur-

ther, Government indicated at one of these meetings that we should first ascertain Indian opinion on this subject. We have endeavoured to obtain that opinion by reference to various bodies in Southern India, Indian bodies, whose opinion we value in such matters. I will give you a few quotations from the replies received from those bodies. One of these Associations, whose opinion we value, says :—

“ It is a question to be considered by trained lawyers so as not to conflict with the supreme laws of the land.”

Another body states :—

“ There is a good deal of sentiment against such legislation.”

There can be no desire to call for any legislation in the least degree likely to be unreasonably offensive to any particular community, and the legislators have it in their power to prevent this.

Another takes the view that “ the proposed Bill will endanger the safety of business of many Indian families of joint circles.” I think what this party has in mind is that such legislation may cause quarrels in the joint family. He goes on to say “ my community therefore proposes that “ legislation should be left to the option of Partnerships.” Of course that would then not be legislation at all.

Another Association states :—

“ The general principle of registration of partnerships meets with the approval of this Association.”

That is an influential body of merchants.

Another Association states :—

“ The idea of compulsory registration of partnerships is repugnant to the Indian community.”

It will be agreed to by everybody that legislation for registration which would necessitate too close enquiry into the domestic business arrangements of any particular party or concern must be most carefully avoided, and we sympathise with the fear that has called forth this reply.

I think these replies indicate the nature of any feeling there is in regard to legislation for registration of partnerships. I believe that there will not, so far, at any rate as Southern India is concerned, be any very definite objection to a Bill for such legislation. A difficulty does arise from the joint Hindu family system and to meet this difficulty we must do everything we can. I think it is generally recognized that the joint Hindu family is really a firm, is really a partnership and yet is not always a partnership, because when a managing member of a family is carrying on business with the money of the family for the benefit of the family, he then undoubtedly is a firm and would in the ordinary course of things come under this Act. But when he is carrying on business individually, on his own behalf, with money acquired separately from the joint family funds, he may be said to be working individually. I think the Income-tax authorities must have realized the difficulty which arises when assessing such families or individuals for super-tax, because it must be very difficult for them to decide which part of the business has been carried on for the benefit of the joint family. Difficulty must naturally be felt, when large profits are made, to decide, which individual or what portion of the profits has to be subjected to the super-tax. We therefore undoubtedly have difficulties, and if the Income-tax authorities have come up against similar difficulties and have been unable to find a solution for them, then it must be a difficult thing indeed for us to do.

There is also the question of the very small trader to whom registration would be onerous and who would necessitate the employment of much machinery for purposes of registration. I, therefore, with some diffidence, have a suggestion to make, which may not be well received, but which I consider worth submitting for examination, and that is a compromise. We have been going on for years and years trying to obtain a Bill and nothing has resulted. Half a loaf is better than none, and if Government cannot see their way to give us a whole loaf, we should ask them to give us a part of a loaf, and therefore my suggestion is that the joint Hindu family and the very small trade might be exempted from the operation of the Act. I feel that if we can get as far as an Act

covering part of the ground, public opinion and public necessity will eventually lead us on to further amendments which would gradually cover up all those who would be covered. It is needless to say, and I take it from what we have got in the past, that Government will have the co-operation of all members of this Association and from the replies which we have received from bodies in Southern India I think I can say that they would be glad to assist Government or assist us. I have therefore much pleasure in supporting the resolution moved by the Punjab Chamber.

MR. V. A. GRANTHAM (Bombay):—On behalf of the Bombay Chamber I wish heartily to support this resolution and to say that we are in complete sympathy with the proposal to call for suitable legislation regarding the registration of business names and partnerships as soon as possible. Further, I fully agree that Government should take the initiative in this matter. The different Chambers have tried to come to an agreement on this point but have so far failed. The problem has centered round the system of joint Hindu families which obtains in this country and the difficulty of excluding and the hardship of including petty traders and shopkeepers and single venture concerns for registration of partnerships under the Act. The existence of these difficulties does not alter the fact that we are all agreed that suitable legislation of some kind is wanted and should be undertaken as soon as possible.

As far as we in Bombay are concerned, the main stumbling blocks have been the joint Hindu family system and the question of including or not including the petty traders under the Act. As regards the former, I think the difficulty can be solved if the principle of the registration of the manager of the joint Hindu family is accepted. I cannot see any insuperable objection to the joint Hindu family being included within the scope of the Act, if this is agreed to. As regards the latter, we in Bombay have always held that it would be a great mistake to attempt to include every petty trader or shopkeeper within the scope of the Act and I still am not convinced that our view is not correct, but these

difficulties should not prevent Government from drafting an Act along suitable lines, which would form a basis for discussion.

I do not think that the views of the Bengal Chamber and of the Bombay Chamber in 1907 (which is the time when we very nearly came to an agreement) were so hopelessly divergent as the Government of India would have us believe. Anyway, at this stage I would say that what is needed is a short simple Act providing that partnerships and business names should be registered and that while a contract should be made enforceable in law against unregistered partnerships and against people trading under business names who have not registered, contracts should not be enforceable by unregistered partnerships or by people trading under business names who have not registered. Further, it might be desirable to enable people to take out an injunction restraining unregistered partnerships or traders from following their trade. I do not think there should be any question of penalties or fines nor should Government undertake prosecutions against unregistered partnerships or traders. Feeling is very strong in the Bombay Presidency that an Act, which entails the employment of a large and expensive establishment, or which is inquisitorial, or necessitates control by means of inspection, is fore-doomed to failure. In fact we think that traders should be left to control themselves within the scope of the Act. Would it not be possible for Government to put forward an Act on these lines ?

SIR CAMPBELL RHODES (Bengal) :—The Bengal Chamber desire also to support this resolution. We do think it necessary that Government should really tackle this problem. Government, as has been mentioned, threw the onus on us, but I do not think it is for us to drag aside the veil of the Hindu joint family system and recommend what should be done in regard to the Hindu community. Government should act on learning the views of the community in order to endeavour to arrive at some general consensus of opinion. The subject bristles with difficulties, as has been mentioned, but difficulties are only made to be overcome and I understand that in Burma they have been overcome and that an

Act is now in force. There must be Hindu joint families in Burma. There are also the Acts in England and there is no question that one of the greatest protections that we have in our daily trading is the knowledge that we have only to get a copy of the firm's note-paper to find out at once exactly who are the partners and the names under which they are trading. There was, I believe, a case some years ago in Calcutta where a man successfully proved that he was not a partner in a firm and on the same day at a court four miles away he substantiated the fact that he was a partner. Therefore, we think that legislation has been far too long delayed. It has been a perennial question in Bengal and we should like the Government seriously to take it in hand. They have a legislative body full of energy asking for something to tear to pieces and I think we should call upon the Government unanimously to give them something to do.

THE HON'BLE MR. D. T. CHADWICK :—I rise at once in response to Sir Campbell Rhodes' demand to try at least to say something. Nearly every speaker has mentioned what a difficult subject this is and has been. In the past it has been examined very carefully by Government departments as recently as 1918, 1919 and 1920. To some of the difficulties allusion has been made. I will not draw a difference between the registration of business names and the registration of partnerships, because to some extent they cover the same ground and they fall on the same rock, and that was the legal one in trying to draft. First of all, Government asked for unanimity if possible and in a measure such as this I think we are all agreed that we should want a large amount of unanimity in order to get it through the Assembly. Every Chamber was addressed in 1919 by circular letter. The object of legislation was described as designing to facilitate business by compelling the disclosure of assumed names and thereby facilitating transactions by rendering them more precise. That is, I think, what is really behind this request, and that is an object with which Government has, or at least ought to have, the greatest sympathy. Well, we found no unanimity in the replies from the Chambers. Many of our Indian Chambers and Associations were by no means in favour of the proposed legislation and it was chiefly on account

of the difficulty connected with the Hindu joint family system.

The lines which legislation would take would, I imagine, be that contracts entered into by a firm which did not disclose on its note-paper the whole of the name of its partners would not be enforceable at law. That is a very serious penalty. Under the joint family system that, as we know would entail the repeated addition and elimination of names according as males come in and out of the family by the ordinary processes of life. It would actually mean heavy work of perpetual registration; we cannot get away from the personal law of the land. We are not in the same condition in India as they are in England, where the head of a family owns the property, and where individual rights are much more defined. Nor are we in the same position as in Burma where there are comparatively few Hindu joint families. What makes it also still more complicated is that the law which governs these Hindu joint families varies, as we all know, from province to province. The Law Authorities advised that it was too dangerous to endeavour to define by statute the duties and liabilities of what is known as the Manager of a Hindu joint family. Mr. Wood from Madras has realized this and suggested that Hindu joint families should be excluded altogether; also, I take it, the small trader and single venture partnerships. Well, gentlemen, that possibly could be done but it would mean that legislation would apply to European firms, Parsis, Indian Christians and Muhammadans, leaving a large section of the trading community of India outside. That surely could not be satisfactory.

I mention these things to show that this matter has been most carefully examined. The Hindu community has been consulted and Hindu lawyers from different parts of India have in no case been in agreement. That was why at one time it was thought it would be better to have several local Acts than a general All-India Act. Government have no wish to avoid legislation given fair unanimity and would be very glad of any suggestions which they and their legal advisers could make use of to get round this difficulty. One suggestion, which I think came from Bengal, was that where the

joint family traded by itself it should not come within the scope of the Act, but, if the joint family took in a partner from outside, who was not in the joint family, then it should come within the scope of the Act. That would not get over the difficulty of the joint family. I only put it forward to illustrate the colossal difficulties with which we are faced in this matter. Attempts have been made by draft Bills but these did not satisfy the legal and practical difficulties involved. I think at a former meeting a representative from Bengal suggested that it was the duty of Government to produce a draft Bill and he offered to knock it into shape. I think he forgot that if any of us want to purchase a property we do not go to our solicitor and say "put up a draft conveyance and I will knock it into shape." The solicitor puts it round the other way and asks us to state the main facts and he puts it into shape. So far our legal draftsmen have seen the greatest difficulties in the way of such an Act, and I can hold out very little hope of their being surmounted though I quite agree with Sir Campbell Rhodes that such an Act would be a most excellent subject for debate in another place.

MR. F. CLAYTON (Karachi):—My Chamber are keenly alive to the importance of something being done in the matter. I have not with me any papers earlier than 1907 but our action has been consistent since that time.

There are just two or three points raised by the last speaker on which perhaps, I might throw out suggestions, which I think have appeared in these papers as they are not my own. One was that the name of the head of a joint Hindu family should be placed on the records along with the names of any other partners. It seems to me that something could be got out of that suggestion.

The last speaker also suggested that we should bring in Europeans, Parsis, Indian Christians and Muhammadans but he would leave out practically the whole of the Hindu Community. That would be a very serious omission indeed from the commercial point of view.

THE HON'BLE MR. CHADWICK :—I quoted Mr. Wood. I said that I thought that was Mr. Wood's suggestion.

MR. C. E. WOOD :—I notice that Mr. Chadwick left out the Hindus altogether. My suggestion was not to eliminate the Hindus altogether but only to eliminate the Hindu undivided family. The Hindus in India exist as divided and undivided families, and the undivided families comprise I understand, a very small proportion of the community. I wish to put that right because I think the Hon'ble Mr. Chadwick imagined that I meant to omit the whole of the Hindu community. I only suggested omitting a very small portion.

MR. F. CLAYTON :—As I say, it would be a serious omission if the Hindus were all left out, and I therefore throw out the suggestion that the name of the head of the Hindu family should be placed on the record.

There is another phase of the subject on which Mr. Chadwick has not touched and that is with regard to Burma. I believe that such an Act is at present operative in Burma, where there are a considerable proportion of Hindu undivided families. Could Mr. Chadwick tell us how the difficulty was got over there? Have they been left out entirely or have some means, such as I have suggested, been adopted in their case? In this connection I do not think the need was really reasonably put before many of the Hindu bodies consulted. One of the biggest Hindu Associations in Bombay, realizing the necessity for this, have made a rule to compel their members to name who their partners are. I must say that the rule is more honoured in the breach than in the observance, but I believe that it does exist, and the very fact that such a thing has been attempted indicates that part of the Hindu bodies are alive to the fact of the wickedness that can be worked behind a partnership such as Sir Campbell Rhodes referred to, where a man in one Court proved that he was a partner and in another proved that he was not a partner. I have got a decree at the present moment in my office against a firm which had been trading for many years and in which, when bad times came, the father proved that he was never a partner in the business that had been working for over 20 years, but

that it belonged to his son who is aged about 23 years. It seems to me that that business belonged to the son when he was still unable to walk. And yet, as I tell you, I have got a decree that I cannot execute because of my inability to prove that the father was a partner and that he was working only for his son's benefit.

There are many difficulties in this connection, but would it not be possible for the Government of India to draft an Act, and if they submit it to the various Chambers and get their replies perhaps round this table we may be able to work out something suitable for the purposes of those Chambers that are associated here? That, I admit, will leave out a number of the Chambers, but, if some such means could be adopted, so far as we are concerned, a *modus operandi* could be arranged by which an Act could be drafted, and one is, I think, vitally necessary.

The resolution was put to the meeting and, on a show of hands being taken, was declared carried unanimously.

APPENDIX H-2.

CHANGE IN THE GOVERNMENT FINANCIAL YEAR.

No. 147 F. of the 31st January 1923.

From the Government of India, (Finance Department) Delhi, to the Chamber.

Question of changing the present financial year.

With reference to the correspondence ending with your letter No. 2311/286, dated the 29th December, 1921, I am directed to forward a copy of a Resolution No. 83-F., dated the 18th January, 1923, issued by the Government of India on the above subject.

FINANCE DEPARTMENT.

Resolution.

ACCOUNTS AND FINANCE.

MISCELLANEOUS.

DELHI, the 18th January 1923.

No. 83-F.—The Government of India have had under their consideration the question of changing the date of the commencement of the Indian financial year from the 1st April to the 1st November or 1st January. The matter has been raised on more than one occasion and notably by the Royal Commission on Indian Finance and Currency of 1913, the main object in view in advocating a change being that it would facilitate more accurate budgeting.

2. The opinions of the Provincial Governments and the Chambers of Commerce were invited on the proposal, in a circular letter, which was also published in the Press. The replies show that the Provincial Governments are unanimously of opinion that the disadvantages which would result from the change would outweigh the advantages, while opinion among the commercial bodies is divided. After considering the matter in all its bearings, the Government of India have now decided to drop the proposal for a change.

No. 285/103 of the 5th February 1923.

**From the Chamber to the Government of India,
(Department of Finance), Delhi.**

I have the honour to acknowledge the receipt of your letter, No. 167-F., dated the 31st January 1923, and the accompanying copies of Resolution No. 83-F dated the 18th, January, 1923, issued by the Government of India on the subject of changing the date of the commencement of the Indian Financial year.

APPENDIX H-3.

PATENTS OF IMPERIAL VALIDITY.

No. A-23 of the 19th May, 1923.

From the Government of India, (Department of Industries and Labour) Simla, to the Chamber.

I am directed to forward for the consideration of your Chamber a copy of the Report* of a Conference held in June 1922, of the representatives of the Patent Offices of His Majesty's Dominions and India, to discuss the question of instituting a system of granting patents which would be operative throughout the Empire. At the instance of the Board of Trade the Secretary of State for India has invited the Government of India to consider the Report, and if they are prepared to accept the "Provisional Scheme" proposed by the Conference, to say what action they propose to take to give effect to it.

2. The idea of an Empire Patent is no new one. The disadvantages of the present system, by which an inventor, in order to obtain protection throughout the Empire, is compelled to take out numerous different patents at very considerable expense, have for a long time impelled patent experts and others interested in the subject to consider whether any scheme for a single Empire patent can be devised. The "Preferred" scheme put forward by the Conference contemplates the establishment of a Central Patent Office for the whole of the Empire, fully equipped for as exhaustive an examination as possible of patent specifications including a comprehensive search for novelty covering the whole of the search activities at present undertaken in all parts of the Empire. Specifications passed by this office will simply be registered in the local office of any part of the Empire (including the United Kingdom itself) in order to obtain patent rights in that part, while at the same time the existing

*Not printed.

rights of any part of the Empire to grant local patents will be retained in full. It is clear that this scheme, if it ever becomes practicable, will do away with the present overlapping of functions and duplication of work undertaken in the different patent offices of the Empire. This will lessen the expense of obtaining full protection throughout the Empire, and by enabling fees to be reduced, should afford a very considerable stimulus to invention and to the development of new industries.

3. Recognizing, however, that the equipment of a Central Patent Office with the necessary material for extended examination and search will involve time and money, the Conference proposed a "Provisional" scheme, which, the Government of India understand, is intended to be purely a temporary measure and a step towards the ultimate realization of a Central Office. The object of the "Provisional" scheme, on which only it is necessary for the moment to concentrate attention, is to give a patent granted in the United Kingdom Patent Office validity in any part of the Empire in which it is registered, while at the same time retaining in full (as in the "Preferred" scheme) the existing rights of any part of the Empire to grant local patents. This scheme appears to the Government of India to possess some of the advantages of the "Preferred" scheme, though only to a limited degree. In the first place, an Indian inventor by taking out a patent in the United Kingdom will acquire protection not only in the United Kingdom but in such other parts of the Empire as adopt the scheme. In the second place, the work of the Indian Patent Office will be to some extent simplified and reduced by the elimination of overlapping investigations. The examination of United Kingdom specifications in regard to formalities, sufficiency of description and claims, will largely disappear, so that it should be possible not merely ultimately to reduce the fees to some extent, but also to devote more time to search for novelty in respect of local inventions, thereby improving the efficiency of the Indian office and the inherent value of an Indian patent. It has also been suggested that the simplified procedure under this "Provisional" scheme will tend towards an increase in the number of patents, and conse-

quently increased prospects of the introduction of new industries and the development of existing industries in India.

4. On the other hand, it must be admitted that the scheme appears to give to a British inventor an advantage over inventors in other parts of the Empire, since by virtue of the United Kingdom patent he will be able to secure protection in other parts of the Empire by the mere process of registration; while the inventor who takes out a patent in India will obtain no such advantage, unless he also takes out a patent in the United Kingdom. This disadvantage, however, is more apparent than real. It can hardly be disputed that, owing largely to the more comprehensive search for novelty conducted in the United Kingdom Patent Office, the United Kingdom patent is the most valuable as well as initially one of the least expensive of patents throughout the Empire. Consequently, while full reciprocity between the United Kingdom Patent Office and other less well-equipped offices could hardly equitably be claimed, any invention of more than local significance would naturally and in any case be protected in the United Kingdom before application in any other part of the Empire.

5. It appears to the Government of India, however, that the success of the scheme must depend essentially on its adoption by a substantial majority of the Dominions and Colonies. So far as the Government of India are aware, the scheme has not yet been accepted in any part of the Empire, and indeed it has been rejected by one of the principal Dominions, on the ground that, as explained above, it contains no reciprocal provision for extension to the United Kingdom of patents granted in the Dominion.

6. It must, however, be remembered that, whatever importance may be attached to this objection, the "Provisional" scheme proposed is only intended as an *interim* measure, which it may be desirable to introduce pending the establishment and equipment of a Central Patent Office. The disadvantages of the "Provisional" scheme, which have been indicated above, do not for the most part apply

to the "Preferred" scheme, while the rejection of the "Provisional" scheme will obviously render the "Preferred" scheme much more difficult of realization.

7. The Government of India do not think it necessary for present purposes to examine the scheme in further detail, or to explain the changes in the law which its acceptance would necessitate. They desire, in the first instance, to be favoured with the opinion of the commercial community and others interested in the subject on the question whether the principle underlying the scheme should be accepted. I am accordingly to ask for an expression of the views of your Chamber which may kindly be communicated to this Department, if possible, not later than the 1st August 1923.

No. 1326/195 of the 31st May, 1923.

**From the Chamber to the Government of India,
(Department of Industries and Labour), Simla.**

Patents of Imperial validity.

I have the honour to acknowledge the receipt of your letter, No. A-23, dated the 19th May, 1923, on the subject noted above and also the accompanying copy of the Report of the British Empire Patent Conference, 1922.

2. In reply I am to inform you that in view of the demand for cheaper facilities and more comprehensive protection for patents, my Committee approve of the principle underlying the "Provisional" scheme, the object of which, my Committee understand from your letter and its accompaniments, is to give a patent granted in the United Kingdom Patent Office validity in any part of the Empire in which it is registered, while at the same time preserving in full the existing rights of any part of the Empire to grant local patents.

3. My Committee do not wish to offer any views regarding the details of the scheme but I am to draw your attention

to para. 1, page 20 of the Report of the British Empire Patent Conference, June 1922, which reads :—

“With regard to (5) duration of patents, it was agreed that the term of a patent throughout the Empire should be, as far as possible, 16 years, but that it should be within the discretion of any Dominion to grant a longer term if so desired.”

My Committee consider that the words “and India” should occur after the word “Dominion” in the above paragraph and in any case they are of opinion that each Dominion and India should retain the right and power to grant an extension to the duration of a patent according to local conditions. This point should not be left to the proposed Central Office alone.

APPENDIX I-1.

REPRESENTATION OF COMMERCIAL INTERESTS IN THE LEGISLATIVE ASSEMBLY.

*Extract from the Proceedings of the Annual General Meeting
of the Associated Chambers of Commerce of India and
Ceylon held at Bombay on Monday, 3rd December
1923.*

MR. (NOW SIR) FRANK NELSON, *President, in the Chair.*

MR. L. S. HUDSON (Bombay):—The next resolution stands in the name of the Bombay Chamber, the President of the Bengal Chamber having intimated that his Committee were willing that the resolution proposed by them on the same subject should be “omnibussed” and the presentation of the same left in the hands of the Bombay Chamber. I beg, therefore, to move that:—

“This Association is strongly of opinion that the senior British Chambers of Commerce should be granted direct representation in the Legislative Assembly under the powers given to

Government to increase the numbers of that Assembly. The Association desires to express the disappointment felt by its members that, whereas certain other important Chambers of Commerce and Associations are rightly given direct representation in the Legislative Assembly, this privilege is withheld from all British Chambers of Commerce.

Although the discussions in the Assembly on important commercial and industrial questions, such as the budget, taxation, exchange, fiscal policy, the railways, and questions relating to factories and labour are of vital importance to the large interests represented by Chambers of Commerce, and although their representatives would be in a position to give expert advice on such subjects, yet not one of the members of this Association is directly represented at such discussions."

The resolution as it stands presents in itself the views of the Bombay Chamber on the question of their having a direct representation in the Legislative Assembly and but few words are needed from me to amplify the expressions of our opinion.

I may say at once that my Chamber, whilst earnestly desirous of attaining representation in the Assembly, does not consider that such representation should be obtained at the expense of the seat in the Council of State which is at present allotted to them. It is their opinion that the Council of State is likely in the future to become of greater importance as a Revising Chamber. It is seldom a profitable thing to prophesy but we consider that when in 1929 the constitution of the Government of India comes before the Parliamentary Commission, which under the Government of India Act of 1919, is to be appointed to examine the progress of self-government in this country, the Council of State will be entrusted with further and more important revisory powers than it at present administers, and we are therefore not in favour of exchanging our seat in the Chamber for one in the Assembly. The request embodied in the resolution is no new one, it has been tendered to Government on more than one previous occasion and I must confess I am at a loss to understand the reluctance of Government to meet the very reasonable desire of the senior Chambers of our Association for

direct representation in the Assembly. The Honourable Members in charge of Government departments are already in the habit of seeking the opinions of the Chambers of Commerce on knotty questions of policy, and even questions of administration, and we appreciate and welcome these references. They may, I think, be taken as tacit expressions by Government of confidence in the Chambers—confidence that all questions put and references made to us will be closely and seriously considered and that the replies that we give will constitute the considered opinion of the leaders of European mercantile thought and practice. Such being the case, I repeat that I fail to understand the reluctance of Government to allot us the seats we ask for in the Legislative Assembly. The benefit of having on the spot representatives chosen by the leaders of the European mercantile community must be apparent. In addition to this point of view, however, the Bombay Chamber feel and, I think, rightly feel, that the Chambers should have a voice in the important discussions on finance and trade, transport, communications and labour and all the multifarious matters which are debated in the Assembly and which in almost every case concern directly or indirectly the great interests which the members of the Chambers represent. “No taxation without representation” is a familiar cry and it cannot be said that the European section of the agglomeration of nations which go to make up this great Empire of India do not pay their fair share towards the revenue of this country. Why then should we not be allowed representation in the Chamber where that revenue is dealt with?

It cannot seriously be held that further seats for representatives of the senior members of our Association would be unduly favouring European representation in the Legislative Assembly. The fact that the Government of India have on past occasions put forward certain tentative counter-proposals to us goes to disprove that. That those counter-proposals did not recommend themselves to us—and I do not think it was expected that they would recommend themselves—is beside the point. We feel that Government must realize the benefit of having the steady advice and assistance on the spot of the representatives of the leaders of

European commerce. We feel that such representation is desirable and necessary now and that the time is at hand when it will be even more to the benefit of the constitutional Government of this great country to have the assistance which our representatives can give in combating the destructive elements which threaten to wreck the complicated parts of the machinery of the Government of India. Fanatical politicians have wrecked Russia, we read that similar sinister signs are becoming more and more visible in the great Empire of China and we trust that the well-ordered Government of this country may not be allowed to become similarly disintegrated. We hope that Government will not lightly lose the opportunity of availing itself of our assistance, and we feel that it would be welcomed by the more moderate-minded Indians in the Assembly, towards the preservation of law and order, and the enactment of wise legislation for the benefit of the people of this vast country. I therefore appeal to Government that this request of ours be not shelved or "filed for record" but that it be faced forthwith and I hope that Government will acknowledge it as a legitimate claim of the senior members of our Association that they should have direct representation in the Legislative Assembly.

MR. F. CLAYTON (Karachi):—I should like to add only one word. Karachi are thoroughly in accord with the proposition of the Bombay Chamber. There is one point, however, which has not been included in the resolution. My Chamber would like it to be definitely understood that the additional representation given to Chambers should not be given by a reduction in the European communal representation. The European communal representation gives the franchise to a number of Europeans whom commercial bodies, such as we are, cannot adequately represent. My Chamber would be glad to have it on record that they would like the seats to be additional, and for commerce especially, and that no interference with the present European representation is intended thereby.

MR. W. L. CAREY (Bengal):—Mr. President and Gentlemen,—For the last two years, I think, we have discussed this subject and everything that could be said about it has

been said. We have received the assurance of His Excellency last year at our Conference that the question was receiving his full consideration, and we know this is so. I may, however, express the general sense of disappointment, to which the Bombay resolution gives voice, that action has not been taken as yet to permit of the direct representation of commercial interests in the Assembly. I may perhaps add that our disappointment is accentuated by the fact that opportunity could not be or has not been taken of the election of the new Assembly, which would seem to be a singularly suitable time for this to be done. We do recognize that there are difficulties, but, if I may say so, one of the functions of the Government in my opinion is to overcome difficulties of that nature. The Government have, I understand, the power in their hands to give additional seats. The representative of the Bombay Chamber has very fully stated the reason why we continue to ask for this additional representation, the Karachi Chamber have supported the idea of additional representation, and Bengal will do so equally. The question as to whether a re-shuffling of seats is possible is one on which I do not think we perhaps quite see eye to eye with the Bombay Chamber, but that is a subject on which we can easily come to an agreement by mutual discussion, supposing that Government now are able and willing to come forward and say they are in a position to be definite on the subject.

The past year has been very fruitful in legislation referring to commerce and industry. I instance only the legislation regarding Railways, Workmen's Compensation, Transport of Cotton, Mines' Act, Paper Currency Act, and in 1922 the Indian Factories Act, and so forth.

At the meeting of the new Assembly other subjects similar to these are certain to be brought up for consideration and we can suppose that as time goes on such subjects will not be lessened. It is only right that our views should be heard and that various interests should have their own representatives absolutely in charge of their interests in the Assembly.

I was privileged last year to speak at length on that point and one or two others in connection with this subject,

so I would only now press that opportunity be taken by Government in the meeting of the new Assembly of granting the Chambers of Commerce the direct representation for which they have pressed and are continually pressing.

The resolution as it stands on the paper my Chamber has no objection to supporting, so far as its wording is concerned, and I therefore have pleasure in doing so.

SIR THOMAS SMITH (Upper India).—Mr. Chairman and Gentlemen,—The Upper India Chamber has always been constantly in agreement with the substance of this resolution. It has been discussed on more than one occasion, and last year, if I recollect correctly, at a conference between Mr. Nelson, Mr. Carey and myself we succeeded in putting together a resolution which satisfied us all. To-day it appears in a new form, and in that new form you find in the first line the words "This Association is strongly of opinion that the senior British Chambers of Commerce" and so on. Now we have got no explanation from the mover as to who the senior chambers are. Are they the Bombay and Bengal Chambers? Or who are they? I should like to know who they are.

In the Montagu-Chelmsford Report it was recommended that some special representation there must be for European and Indian commerce and also for the large landlords. The Southborough Franchise Committee which investigated the subject and heard evidence throughout India, recommended that six seats should be given to European commerce and those six seats are specified in the report. Now they desired that these should be represented for sufficient reasons. There was no question of seniority, neither was there a question whether the Chambers were sea-port or not. They were not impressed by the fact that sea-port Chambers only should be represented in the Assembly, and recognized that there are other interests in the hinterland of India, interests represented by Chambers engaged purely in indigenous manufacture and whose interests in many respects are quite different from those of the Chambers at the sea-ports.

So with the substance of this resolution we are quite in agreement, but if it is to be limited to the senior Chambers,

I fancy that the Bengal, Bombay and Madras Chambers would make a very good running for it, but we go further than that and we do not bow down to seniority. If the mover would agree to take out the word "senior" and allow the resolution to read "This Association is strongly of opinion that the British Chambers of Commerce should get direct representation, etc.," then it is a matter for Government's decision. In the meantime I should very much like to hear from the mover who the "senior" Chambers are.

MR. L. S. HUDSON (Bombay):—Sir,—It is rather a pertinent question but I do not think that the Bombay Chamber or the Bengal Chamber at all mind deleting the word "senior" from the resolution.

MR. W. L. CAREY (Bengal):—I have no objection to delete the word "senior."

The President:—I understand the amendment is accepted.

THE HONOURABLE SIR BASIL BLACKETT:—Mr. President and Gentlemen,—The amendment that has now been carried prevents me from doing as I hoped and dividing you into Sadducees and Pharisees. This resolution, like the resolutions which have preceded it, is one dealing with another department of Government than my own and a department which is not represented here. But it is a subject in which I think the Finance Member must take a very keen personal interest, and I think I may say that the three departments represented here, the Commerce Department, the Industries and Labour Department and the Finance Department, are all inclined to take a very special interest in it, and feel a great deal of sympathy with the principle that the more representation the commercial interest get in the Assembly and the Council of State the better. I was particularly struck with the fact that during the July session in Simla with a single exception—I should like to say excepting Sir Jamsetjee Jeejeebhoy—during the whole period there was not a single representative of commerce in the Assembly. The subjects that come before the Assembly and the Council

of State are subjects which are very frequently of great interest to commerce, business and finance, and if I may only express an opinion they cannot be left entirely to lawyers. (*Hear, hear*). The more representation, therefore, commerce and industry and finance get the better. I would add that the more the people who represent commerce, industry and finance manage to attend the Assembly the better for those interested.

The past history of this question is long and intricate. It has been stated that the Southborough Committee decided that European commerce should be represented in the Assembly. When the Joint Select Committee of the Parliament and the Government of India made certain recommendations the question about indirect election had to be re-examined. The subject was then considered and reconsidered and the final decision was as regards European representation, that they should have nine seats in the Assembly and that Indian commerce should have four seats in the Assembly with the understanding that there would be no separate representation in the Council of State for the general interests of the Europeans but that there should be special representation of European commerce. The reasoning of this is based upon the fact that Indian commerce must have direct representation in the Assembly because it might not secure due representation through the franchise. In the Council such representatives are elected by Indian commerce. On the other hand, European commerce secures representation in the Assembly by the general seats. The objection to giving special representation was that it would produce that demand for direct representation of Indian commerce in the Council of State, in order that both Indian and European commerce might get direct representation.

It has been stated by the mover that this question was not a new one, but I think I am right in saying that it raises that question in a new form. At the last two meetings of the Associated Chambers of Commerce resolutions were passed in favour of direct representation of the Association. The present proposal is rather a different one. It is that the Chambers be represented individually. It was originally

proposed that "senior" Chambers should be represented in the Assembly. It is now proposed simply that the Chambers be represented. I do not know whether they are all to be represented individually but there is to be a representation of the Chambers, and I understand that the resolution does not propose and that this Association would not agree to the suggestion that the European community should substitute direct representation of commerce instead of their existing general representation. The proposal in that form might be easier to deal with. As it stands at present it is a proposal to increase the number of European representations, and it involves not merely increasing the number of European representatives but also increasing the representatives of a particular province. Both those questions are really very difficult and it is no good pretending that Government can easily solve them.

I am afraid so long as the question of an increase in the total European representation is concerned, I cannot express even a sympathetic hope. I am sympathetic but cannot be hopeful. But if a general scheme is to be put up which does not involve an increase of total European representation, the Government of India will be very glad to consider it and to consult the local Governments on the subject. As I said at the beginning so I say at the end, that the Finance Member cannot but be anxious to see an increase in the total representation of business and commercial interests, both Indian and European, and if it were possible to secure the better representation of European commerce in India by means of some modification of the proposal that is put forward here, Government would be very glad to consider it and if they could possibly do so find means to meet the wishes of the Chambers. But I am afraid I cannot be hopeful as long as the increase of the total European representation is concerned.

The President :—I understand the Bombay, Bengal and Karachi Chambers suggest that the word "senior" may be omitted in the first line of the resolution. I, therefore, put the resolution as follows :—

‘This Association is strongly of opinion that the British Chambers of Commerce should be granted direct representation in the Legislative Assembly under the powers given to Government to increase the numbers of that Assembly. The Association desires to express the disappointment felt by its members that, whereas certain other important Chambers of Commerce and Associations are rightly given direct representation in the Legislative Assembly, this privilege is withheld from all British Chambers of Commerce.’

Although the discussions in the Assembly on important commercial and industrial questions, such as the budget, taxation, exchange, fiscal policy, the railways, and questions relating to factories and labour are of vital importance to the large interests represented by Chambers of Commerce and although their representatives would be in a position to give expert advice on such subjects, yet not one of the members of this Association is directly represented at such discussions.’

The resolution as amended was put to the meeting and, on a show of hands being taken, was declared carried unanimously.

MR. W. L. CAREY (Bengal) :—Having regard to the resolution that has been just put and passed I beg to withdraw the resolution on the same subject standing in the name of the Bengal Chamber.

The President :—The Bengal Chamber ask permission to withdraw their resolution which runs as follows :—

“This Association resolves to press strongly upon the attention of the Government of India and the Right Hon’ble the Secretary of State the urgent claims of the Senior Chambers of Commerce to direct representation in the Indian Legislative Assembly.”

Permission was accorded.

APPENDIX I-2.

REPRESENTATION OF THE PUNJAB CHAMBER IN THE PUNJAB LEGISLATIVE COUNCIL AND IN THE INDIAN LEGISLATIVE ASSEMBLY.

No. 603-A. C. of the 18th April 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

Representation of the Punjab Chamber in the Punjab Legislative Council and in the Indian Legislative Assembly.

I am directed to invite your attention to the accompanying letter from the Punjab Chamber and to request you to inform me of the views of your Chamber on the request that the Punjab Chamber make for the support of the Association.

I am to draw your attention to the resolution on the above subject that was adopted at the Annual General Meeting of the Association in January 1921 (page 51, Proceedings of the Annual General Meeting, 1921). A copy of the resolution was forwarded to the Government of the Punjab who subsequently replied that the matter would be considered when a revision of seats or of the Electoral basis next came under examination.

No. 242 of the 12th April 1923.

From the Punjab Chamber of Commerce, Delhi, to The Associated Chambers of Commerce of India and Ceylon, Bombay.

I am instructed to inform you that the following Resolution was passed unanimously at the Annual General Meeting of the Punjab Chamber of Commerce held in Delhi on the 23rd March 1923, and to request the support of the Association with regard to it.

Resolution.

In view of the forthcoming general election, and the possible revision of the Electoral Rules, this Chamber reiterates the resolutions passed in its various previous meetings and the resolutions adopted by the Associated Chambers of Commerce of India and Ceylon at their Annual General Meeting in 1921, on the subject of non-representation of Commercial interests of Northern India in the Central as well as the Punjab Legislature, and strongly but respectfully urges the Government of India to remove this disability by granting this Chamber which is the only representative commercial body in Northern India, one seat in the Indian Legislature and at least two seats in the Punjab Legislative Council.

The existing arrangement under which this Chamber shares a seat in the Punjab Legislative Council with the Punjab Trades Association is not satisfactory, as the interests of that Association and of this Chamber are not always identical, and in fact are at times antagonistic.

From 1909 to 1920 this Chamber was considered to be a proper constituency, and was accorded one seat in the Punjab Legislative Council out of the eleven elected seats then provided. But since the inauguration of the Montagu Chelmsford Reforms, under which the number of elected Members was increased to sixty-six, this Chamber has been granted only one seat jointly with the Trades Association, instead of having its representation augmented.

This diminished proportion of representation in the enlarged Councils unfortunately applies to the Punjab Chamber of Commerce alone, in every other province the Chambers of Commerce and kindred Associations have invariably been given increased representation. The Upper India Chamber of Commerce, Cawnpore, representing for the greater part European interests in the Commerce and Industry of the United Provinces, has been granted two seats in the present United Provinces Council as against one in the old Council. There is another Chamber in Cawnpore which represents Indian commercial interests, known as the United Provinces Chamber of Commerce, of comparatively recent formation, which has been granted one seat in the new Council though it was not represented in the old Council. Instances of this nature could be multiplied, but stress is laid on the increased representation granted in the United Provinces to Commerce, because in the Associated Chambers of Commerce of India and Ceylon the Upper India Chamber and the Punjab Chamber have an equality of status in regard to votes, each being accorded eight votes.

We have no quarrel with the increased representation given to our friends at Cawnpore, or to other sister Chambers, indeed we think they could have usefully been given larger representation in the respective Councils than they at present possess. We however desire to emphasise our claim that we should in common with other commer.

cial bodies receive adequate representation in the Legislative Council of the Province with which we are directly concerned. There is another very cogent reason why we should be given two seats in the Punjab Council, for our Chamber unlike any other similar body, is constituted in equal numbers of Europeans and Indians. If, therefore, fewer than two seats are granted to us, friction and acrimony might conceivably be apprehended between these two great communities at and after election periods, thereby jeopardising the harmonious working of the Chamber. We would therefore urge the provision of two seats for this Chamber not only on grounds of equity but also to assist in fostering mutual good will between Europeans and Indians engaged in Commerce and Industry in this Province.

This Chamber had the honour to present the several above recited arguments, for the consideration of His Excellency the Governor of the Punjab, by a deputation which His Excellency very kindly received on the 22nd December 1920. Mr. C. A. Innes, C.I.E., I.C.S., Minister for Commerce, Government of India, was present at the Annual Meeting of this Chamber at which the Resolution was passed, and was so kind as to state the arguments made a very strong case for direct representation of this Chamber in the Punjab Legislative Council, and that he would be glad to accord this Chamber all the assistance in the matter which lay in his province as Member for Commerce, in the Executive Council, but this Chamber realises that a final decision rests with His Excellency the Governor of the Punjab, and we hope that His Excellency will be able to grant our prayer now that an opportunity to do so is presented in the approaching new elections and nominations to the Punjab Legislative Council.

Having dealt with that part of the Resolution which refers to representation in the Punjab Legislative Council we beg for consideration of the question of the representation of this Chamber in the Central Legislature. Chambers of Commerce and similar commercial bodies in other provinces are either directly or indirectly represented in the Indian Legislative Assembly but the Punjab Chamber has no representation of any kind in that august body. The Indian Commercial interests of Bengal, Bombay and Madras are directly represented by the Bengal National Chamber of Commerce, the Indian Merchants' Chamber, the Bombay Mill owners' Association and the Madras Indian Chamber of Commerce, each of which has a seat in the Assembly. As the seats provided for European constituencies have been for the most part filled by commercial men, the European Commerce of Bengal, Bombay, Karachi, Madras and the United Provinces is indirectly represented. In the case of Northern India, Commerce has not been given a chance of obtaining representation, even indirectly, as no seat in the Legislative Assembly has been provided to which a commercial man from the Punjab or the North-West Frontier Provinces could be elected under any possible excuse.

It is in the Legislative Assembly that all legislation pertaining to Commerce, Industry and Finance originates, is discussed and takes final form. This Chamber which represents such vast and rapidly growing commercial interests, therefore has a right to demand that its opinion should be voiced in the Assembly. In this connection we have the moral support of His Excellency the Viceroy, as expressed when addressing the Associated Chambers of Commerce at Calcutta in January 1922. His Excellency said :—

“ Your interests in this country are too important. Must not the tendency increasingly be for the policy of Government to act and react in such interests ? However desirous Government may be not to interfere directly with Trade and Commerce, inevitable result of its action must be to affect all great interests, often perhaps only indirectly, but always in important ways. I need only mention finance and tariff policy as obvious instances affecting you. Government has heavy responsibilities towards trade. It has a right to ask you to share them, to call on you to help with advice and to lend expert knowledge and you have a right to aspire to join in the task of moulding policy.”

This Chamber recognises and gratefully records that Government has not been altogether unsympathetic towards our claim. In fact when a deputation of this Chamber waited upon the Reforms Commissioner in July 1920 he did his best to secure for us increased representation. He cabled to the Home Government on the subject but it was too late, the Rules were already passed by the House of Commons. In reply to the representation made by the Associated Chambers on our behalf in 1920 the Government of India expressed their sympathy but thought it was undesirable to revise the rules so early. But as the new elections are approaching there cannot be any reasonable objection now to revising the rules and according us adequate representation both in the Indian Legislative Assembly and the Punjab Legislative Council. This will rectify the anomalous position in which this Chamber has been placed.

This Chamber feels that Government cannot be better guided in arriving at a decision on this important subject than by giving due weight to the advice of the Hon'ble of Mr. C. A. Innes, C.I.E., I.C.S., Minister for Commerce, expressed in his address to the Associated Chambers of Commerce, 1921, in the following words :—

“ The more business interests, the more businessmen we have in the Assembly, the better for Government and the better for India.”

There is one further argument in favour of direct and sufficient representation in the Punjab Legislative Council and the Legislative Assembly being granted to this Chamber, which has not been mentioned in petitions on the subject addressed by this Chamber to the

Imperial Government and the Punjab Government. It is, that whereas all voters in India are entitled to record one vote for their representative in the Provincial Councils, and one for their representative in the Legislative Assembly, Members of this Chamber resident in Delhi have no vote in regard to the Provincial Councils (there being no Council for the Province of Delhi) and are completely in the minority as regards voting for the Delhi Member of the Legislative Assembly. The administration of the Delhi Province follows generally lines ruled by the Punjab Government, and Members of this Chamber resident in Delhi would be content to confide their interests in Provincial Legislation to two members of the Chamber competent to enter the Punjab Provincial Council, though the fact of residence outside the Punjab must always preclude the possibility of our local member's votes being recorded in elections to the Punjab Provincial Council, and even this indirect representation in the Provincial Councils would be regarded as a relief from the existing necessary but anomalous exclusion of residents in Delhi from all parts in the Provincial Councils. The Associated Chambers of Commerce could perhaps make this point clear when supporting the Resolution passed by the Punjab Chamber on the 23rd ultimo, though for obvious reasons my Committee has been unable to press it upon the attention of Government.

I am sure the Association will accord its support to representation of this Chamber in the Legislative Assembly, which will permit members of the Punjab Chamber resident in Delhi to record a vote for representation under the Reforms Act free of the overwhelming majority of Indian voters in this Province.

No. 1049-182 of the 26th April 1923.

**From the Chamber to The Associated Chambers of
Commerce of India and Ceylon, Bombay.**

I am directed to acknowledge the receipt of your letter No. 603-A. C., dated the 18th April 1923, and its enclosures, with regard to the representation of the Punjab Chamber in the Punjab Legislative Council and the Indian Legislative Assembly.

2. In reply I am to state that my Committee are of opinion that the Punjab Chamber has a just claim for two seats in their local council.

3. With regard, however, to representation in the Indian Legislative Assembly my Committee consider that, as none of the Chambers are represented therein, the Punjab Chamber's claim in that connection should not be supported by the Association.

No. 710-A. C. of the 4th July 1923.

**From the Associated Chambers of Commerce of
India and Ceylon, Bombay, to the Chamber.**

With reference to my letter No. 603-A. C., dated the 18th April 1923, I am directed to hand you the enclosed copy of a letter No. 708-A. C., dated the 4th July 1923, which has been dispatched to the Government of India urging the claim of the Punjab Chamber to representation in their local Legislative Council.

A similar letter with a copy of the enclosed has been sent to the Government of the Punjab.

No. 708-A. C. of the 4th July 1923.

**From the Associated Chambers of Commerce of
India and Ceylon, Bombay, to the Govern-
ment of India, (Home Depart-
ment), Simla.**

*Representation of the Punjab Chamber in the Punjab
Legislative Council.*

I have the honour, in continuation of this Association's letter, No. 633-A. C., dated the 15th April 1921 and its enclosure, addressed to the Reforms Office, again to address the Government of India on the subject noted above.

2. This Association during 1920 and 1921 drew the attention of the Government of India to the importance of giving the Punjab Chamber of Commerce, which represents the commercial interests of the Punjab and Delhi, due and sufficient representation in their local Council. Unfortunately, however, when the matter was referred to the Government of India in 1920 the Electoral Rules had already been passed and in the terms of a letter, No. 873-F., dated the 17th September 1920, from the Under Secretary to the Government of India, Reforms Office, the Government of India thought that in view of the fact that the Electoral Rules had then been made, it would obviously be undesirable to take any action that might encourage the idea of their early revision but as desired by this Association Government stated that they would not lose sight of the matter if and when the rules were revised. The Government of the Punjab also

stated in reply to a reference during 1921 that they would consider this question when a revision of seats or of the electoral basis next came under consideration.

3. The Punjab Chamber's claim to separate representation in their local Council has recently been put before the members of this Association who unanimously support their claim and consider that the Chamber should be granted two seats in the Punjab Council, and in view of the forthcoming elections and the probable revision of the Electoral basis I am now to remind you of the Government of India's promise to reconsider this question, as set out in the letter above mentioned.

4. It may be remembered that from 1910 up to the formation of the New Councils under the Reforms Scheme, the Punjab Chamber elected one of their members to represent their interests in the Provincial Legislative Council. When the Council was enlarged from eleven to sixty five members the Punjab Chamber naturally expected that the number of their representatives would be increased, instead of which their representation was halved, for at present they are granted only one seat jointly with the Punjab Trades Association. This method of representation is not, the members of the Chamber contend, of service to them, the interests of the Trades Association are not, they say, in line with their interests and a joint representation does not therefore effectively represent them in the Council.

5. This matter has now been considered by the members of this Association on three occasions and each time they have supported the Punjab Chamber's claim to adequate representation. I am, therefore, in conclusion to request you to move the Government of India, in view of the extensive and important interests of the Punjab Chamber, to give this question the earnest consideration which it deserves and to take steps to ensure that the Chamber obtains its due representation at the forthcoming elections.

APPENDIX J-1.

PROPOSED PROTECTION OF THE INDIAN STEEL INDUSTRY.

No. 2070/232 of the 21st September 1923.

**From the Chamber, to the Government of India,
(Commerce Department, Simla.)**

With reference to the forthcoming visit of the Tariff Board to Bombay, my Committee are given to understand

by one of the members of this Chamber, a firm of iron-founders and engineers, that a letter has been addressed by the Secretary of the Board to all firms interested in the Iron and Steel Industry, together with a questionnaire, asking whether the firms in question wish to put their views before the Board and calling for written replies to the questionnaire.

2. I am to say that my Committee are opposed in principle to heavy increases in the Import Tariff but the Tariff Board has been apparently directed by Government to examine only those persons or firms directly interested in the Steel Industry or in Industries dependent on the use of Steel, a category within which my Chamber, as a body, cannot be said, strictly, to come, and while my Committee do not suppose this would debar them from putting their views before the Board, they appreciate the force of the argument that evidence should, in the first instance, be collected only from those directly in the Steel Industry and they feel that it would be premature for them, representing as they do so many divergent interests, to communicate with the Board, as a Body, until they have had an opportunity of examining the evidence of those directly interested.

3. But I am to submit that before any changes in the Import Tariff of a Protectionist character, are made, it would be only fair if this Chamber, which will in many ways be indirectly as well as directly affected by a duty on steel, as well as all other Chambers of Commerce, were put in possession of the evidence collected by the Tariff Board and were afforded an opportunity of expressing their written opinions on the evidence.

4. I am therefore to ask you whether such an opportunity will be afforded to this Chamber as well as to all other Chambers.

No. 473 of the 27th October 1923.

From the Secretary, Tariff Board Calcutta, to the Chamber.

I am directed to enclose for the information of the Bombay Chamber of Commerce copies of the papers* noted in the margin.

1. Representation submitted to the Indian Tariff Board in July 1923 by the Tata Iron and Steel Coy.

2. The Protection of Young Industries, a representation submitted to the Tariff Board in August 1923 by the Tata Iron and Steel Coy.

3. Oral evidence given by the representatives of the Tata Iron and Steel Coy. at Jamshedpur between the 17th and the 27th August 1923.

4. Statements and notes received from Tata Iron & Steel Company.

It was brought to the notice of the Tariff Board that the Chambers of Commerce and other public bodies found themselves hampered in expressing an opinion on the claim made by the Tata Iron and Steel Company for protection to the steel industry owing to the fact that part of the evidence was taken *in camera*. The Company have now accepted the view of the Board that the immediate publication of the whole of the evidence tendered on their behalf is desirable. I am to say that if after perusal of the documents now forwarded the Chamber desire to put forward any further expres-

sion of their views, the Board will be very glad to receive it. It is desirable, if possible, that any representation made should reach the Board by the end of November 1923.

No. 2293/232 of the 30th October 1923.

From the Chamber, to the Secretary, the Tariff Board, Calcutta.

I am directed to thank you for your letter No. 473, dated the 27th October 1923 and the accompanying copy of the evidence submitted to your Board by the Tata Iron and Steel Co.

*Not printed.

No. 2296/232 of the 30th October 1923.

From the Chamber, to the Secretary, the Tariff Board.

I have the honour to submit hereunder the views of my Committee on the subject of the protection of the Indian steel and iron trade.

2. As regards the general question my Committee are of opinion that a very limited amount of protection would probably, if carefully applied, be to the good of the country, for it might assist in the development of a basic steel and iron industry which, although not essential to an agricultural country such as India, would probably further its commercial development. In particular a measure of protection might be of special assistance while Indian workmen are being trained in the industry. This industry if developed may be an asset to the country if India is ever again cut off from sea-borne supplies during a war; and it may be mentioned in this connection that the Tata Iron and Steel Company rendered very material help in supplying the needs of the armies in Mesopotamia during the recent war.

3. My Committee consider therefore that the institution of some protection greater than the present 10 per cent. duty on imported iron and steel may usefully be considered but they are firmly convinced that protection on the scale of the suggested $33\frac{1}{3}$ per cent. import duty would do far more harm than good to the country as a whole.

4. An import duty of $33\frac{1}{3}$ per cent. would, I am to point out, give a practical monopoly to the indigenous steel and iron industries and in doing so it would put up the price of every commodity to every inhabitant of India. Moreover, the railways are dependent upon steel and iron for their rails, trucks, engines, etc., and they would be compelled to raise their prices for both freight and passengers. Every industry is affected directly or indirectly by the price of steel and iron and the suggested duty would, my Committee think, have effects which have not been given due consideration by those who advocate it.

5. I am further to draw your attention to the fact that the steel and iron industries of India are able to supply only a portion of the country's requirements and it is very doubtful if they will ever be able to supply all satisfactorily. The engineering firms of Bombay frequently buy steel from the Tata Iron and Steel Company but they often find it impossible to obtain the sections they require and in fact the larger class of steel beams are not rolled at all in India. Firms with London branches, in executing orders for steel, frequently deal with ten or twelve different works in Europe, purchasing one section from one place, another from another, in order to obtain them at the lowest price and with the quickest delivery; this practice which is to the benefit of India, would not be possible owing to the lack of competition, were the purchase of supplies altogether confined to India by the suggested protection.

6. Again, my Committee doubt if the capacity of the Indian railways would be sufficient to enable the Indian steel and iron industries to transport supplies to all centres cheaply and quickly. There is difficulty now in sending out finished products from Bombay, but this would be doubled had the raw material also to be brought in by rail.

7. In conclusion I am to repeat that my Committee consider that some protection may feasibly be given to the industry in question for a limited number of years, so as to assist its development. This protection need not necessarily take the form of an increased import duty, the suggestion of granting a bounty on the tonnage sold, is, for example, I am to say, worth consideration as an alternative; it would, in my Committee's opinion, better encourage the industry to manufacture the class of steel and iron for the manufacture of which India and Indian workmen are more suitable. But whatever form of protection is ultimately considered most desirable, I am to add that India's prosperity would, my Committee feel sure, be more retarded than developed by the suggested 33½ per cent. duty on all imported steel and iron.

APPENDIX J-2.

 PROPOSED PROTECTION OF THE INDIAN
CEMENT INDUSTRY.

No. B.H.L/10/9875 of the 20th November 1923.

**From Messrs. Killick Nixon & Co., Bombay, Agents,
the Bundi Portland Cement, Ltd., and the Punjab
Portland Cement, Ltd., to the Chamber.**

We beg to hand you herewith copy of a letter to the Secretary, Commerce and Industry Department, Government of India, covering an application to the Secretary of the Tariff Board, Calcutta, which has been signed by the majority of the Cement Companies in this country with whose views we think you should be acquainted. As representing two of the largest Cement Companies on this side of India, we shall esteem it a favour if anything can be done by your Chamber to forward the interest of the Cement Companies in the direction indicated.

Dated the 13th November 1923.

**From the Bundi Portland Cement, Ltd., the Punjab Portland Cement, Ltd., the Indian Cement Co., Ltd., the Gwalior Cement Co., Ltd., the Katni Cement and Industrial Co., Ltd., the Jubbulpore Portland Cement Co., Ltd., the Central Provinces Portland Cement Co., Ltd., the Dwarka Cement Co., Ltd., to the Government of India, (Commerce and Industries Department)
Delhi.**

We beg to enclose herewith a Memorandum that we have prepared for submission to the Tariff Board in which the present position of the cement industry and the steps necessary to save it from ruin are indicated.

Several of the Companies are in very serious financial straits and will inevitably disappear if immediate steps are not taken to avert the disaster. If this is allowed to happen, not only will several crores of Indian capital be lost but the country will lose the industry which has done such valuable service during the War.

We trust that Government will forward our Representation to the Tariff Board and instruct them to take up the question as an urgent matter when they visit Bombay during the current month.

All communications in this connection should be addressed to the Dwarka Cement Co., Ltd., 2, Rampart Row, Fort, Bombay, who represent us, all the undersigned.

Dated the 13th November 1923.

**From the Cement Companies, to the Secretary,
the Tariff Board, Calcutta.**

On behalf of the undersigned Cement Companies we have the honour to submit our case for enhanced protection for the indigenous cement trade against imported cement.

Up to 1912 India possessed no cement industry and all cement used in the country was imported either from the United Kingdom, the Continent or Japan. Appendix "A" shows the consumption of imported cement between the years 1910 and 1923.

Between 1912 and 1916, the following Indian Cement Companies came into operation :

<i>Name of the Company.</i>	<i>Capacity.</i>
Indian Cement Co., Ltd.	20,000 tons.
Katni Cement & Industrial Co., Ltd.	30,000 tons.
The Bundi Portland Cements, Ltd.	26,000 tons
	76,000 tons.

In 1915, the output of the three Companies came under the control of the Indian Munitions Board and very little cement from these works was available for works other than Government and military works between 1915 and 1919.

The prices paid by Government ranged from Rs. 42-8-0 to Rs. 70 per ton while during the same period imported cement cost Rs. 80 to Rs. 250 per ton. It will therefore be seen that the establishment of this key industry just at the beginning of the war saved the country an enormous sum in cost of an essential item of munitions.

The saving of steamer tonnage at a time when every ton of cargo space was of vital importance to the Empire and every ship that sailed from Europe was subject to grave risk was also of great but incalculable benefit not only to India but to the Empire.

As a result of the control established and the dearth of cement available during the period of control for general use, an inflated opinion of the potential requirements of the country was engendered and this was to some extent fostered by such pronouncements from official sources as the following from an article on the Portland Cement Industry by Messrs. Musgrave and Davies in the Indian Munitions Board Handbook.

"After the War when works at present in abeyance will be continued, the requirements will be greater than ever. The use of ferro-concrete comparatively new even in western world is extending very rapidly, bridges and heavy structural work of all kinds and even ships being made of it. It will itself provide a big market for Portland Cement. The opening up of Mesopotamia will also afford a large sale for Indian cement if it be available * * * The output of these factories being very much short of the present demand even, it will obviously not suffice for future requirements and there is still room for additional works in other parts of India."

As a result of these conditions, steps were taken by the existing companies to increase their outputs and a number of fresh companies were formed and works constructed to meet the anticipated enhanced demand until in 1923 the capacity of Indian works totalled approximately 600,000 tons of cement per annum and the rupee capital invested in the trade amounted to Rs. 4,58,29,351-3-8 (*vide* Appendix "B").

Before the War the consumption of cement in India was about 17,500 tons. The demand has increased to approximately 250,000 tons and will undoubtedly continue to increase rapidly as the country develops, but it will be seen that the production has for the time being far outstripped the capacity of the country to consume its own product.

Naturally the companies are doing all that can be done to develop the demand and to establish themselves by producing cement of the finest quality, equal to or better than any cement imported. They are, however, faced with material disadvantages.

1. There is a prejudice among certain engineers against any indigenous product and though, as far as cement is concerned, this is being overcome gradually, it takes time.

2. Works are mostly situated far from Ports which are the chief markets—railway freight to Ports generally exceeds steamer freight from Europe.

3. Coal available compares unfavourably in³quality with coal in Europe and owing to high pits-mouth cost and railway freight is more expensive. Owing to wagon shortage, it is frequently difficult to obtain an adequate and regular supply of coal at the proper time, thus involving large amounts being stocked with consequent lock up of capital and deterioration of quality, or risk of stoppage of works.

4. In order to maintain quality at its best Technical Supervision Charges in India are very much higher than in Europe.

5. Imported cement from the Continent has a great advantage owing to depreciated exchanges and though the quality is often indifferent, a section of the market will buy anything under the name of cement if it is cheaper in price.

6. Importations for Government are free of duty and though the Stores Purchase Rules provide for the preferential purchase by Government Departments of indigenous stores, quality and price being equal, this rule is not invariably adhered to and the exemption of Government stores from duty often makes it difficult for the Indian Companies to compete in price, as they can and do in respect of quality.

7. Export is debarred partly by the heavy rail freights to Ports under which most of the companies labour and partly by the exorbitant freight rates charged for shipments to Africa, Mesopotamia, etc., by steamer companies whose interest lies in maintaining the European export.

The Indian Fiscal Commission laid down the following three conditions to be satisfied by any particular industry before the Tariff Board could recommend it for protection.

1. *The Industry should be one possessing natural advantages.*

We submit India has unlimited quantities of raw materials for making first class cement—this is being done to the extent of 500,000 to 600,000 tons per annum—Cement is an essential industry to India's progress and the Cement Industry is a key industry in time of war. The market is there but requires now to be developed.

2. *The Industry must be one which without the help of Protection is either not likely to develop so rapidly as is desirable in the interests of the country.*

We submit—

That owing to exceptional conditions, the industry has developed too rapidly for the country to keep pace with it and that breathing time is now required for the demand to catch up with the potential supply.

That it is desirable in the interests of the country that the Industry should receive all possible support pending the increase of demand which must inevitably come.

That it is most undesirable that an essential industry in which a large amount of Indian capital is invested should fall into disrepute.

3. *The industry must be one which will eventually be able to face world competition without Protection.*

We submit—

That in the matter of quantity and quality the Trade can already face this competition.

In the matter of price, for the reasons already stated above, it requires assistance until such time as the local market has developed sufficiently to enable the whole production capacity to be absorbed as only by working to full capacity can the works produce economically.

Apart from the advantages to the country of having available large resources of first class cement :

The country derives indirect benefit from—

1. Retention of capital in the country.
2. Revenue from taxes—land and railway freights.
3. Employment of labour and training of superior staff and artisans in technical knowledge.
4. The industry as a whole is at the present moment in a precarious position while certain of the newer companies particularly find themselves unable to market more than a small portion of their output and consequently in most serious financial straits.

It is necessary again to emphasize that if forced into liquidation, it will not only reflect on the cement industry but on industrial ventures generally and a further discouragement to the already shy Indian investor.

The industry, therefore, seeks the assistance of the Commission in respect of :—

1. A recommendation to Government that all cement required for Government purposes be purchased in the country, provided—

- (a) quality is satisfactory,
- (b) price is not in excess of the price of the imported cement delivered at site including the amount of Import Duty whether charged or not.

2. A request that Government will bring pressure to bear upon the steamship companies trading between the coast-ports of India, East Africa and the Persian Gulf to reduce the freight rates charged on cement at least 20 per cent. less than the rates current from Europe to the Ports concerned.

3. A request that Government will place Cement Companies in the "Special Classification" for allotment of coal-wagons inasmuch as the Rotary Kiln process of cement manufacture is a continuous process and to shut down the kilns for want of coal is as disadvantageous to them as to shut down the blast furnaces of the Tata Iron and Steel Works is to them.

4. That an Import Duty be levied on all imported cement at Rs. 25 per ton, not of 15 per cent. on a variable valuation as at present.

APPENDIX "A."

Imports of Cement into the Indian Empire.

Year.	Total Imports from United Kingdom alone.	Total Imports from all countries.	The Value of imports in column three.
	Tons. cwts.	Tons. cwts.	£
1910/11	1,10,161 8	1,26,644 16	3,07,099
1911/12	1,00,728 6	1,16,951 3	2,99,771
1912/13	1,23,534 13	1,60,564 9	4,57,478
1913/14	1,21,895 5	1,46,518 12	4,38,991
1914/15	1,23,981 7	1,44,972 11	4,49,112
1915/16	86,479 18	1,31,625 5	4,69,010
1916/17	61,002 17	89,388 4	4,24,468
1917/18	68,521 19	83,755 5	5,04,522
1918/19	8,536 6	27,177 0	2,60,433
1919/20	75,337 5	91,805 7	9,26,037
			Rs.
1920/21	1,23,283 0	1,30,721 0	1,39,43,450
1921/22	79,886 0	1,24,727 0	1,38,69,935
1922/23	96,976 0	1,33,268 0	1,03,53,146
1923/24 (Up to Aug.)	35,135 0	41,912 0	28,09,199

APPENDIX "B."

Capital Invested in the Cement Industry.

	Rs.	a.	p.
The Central Provinces Portland Cement Company, Limited	1,10,73,179	10	0
The Dwarka Cement Co., Ltd.	78,69,326	9	7
The Jubbulpore Portland Cement Co., Ltd.	54,32,301	0	8
The Punjab Portland Cement Co., Ltd.	52,61,298	2	3
The Katni Cement & Industrial Co., Ltd.	45,00,529	4	3
The Bundi Portland Cement, Ltd.	43,18,763	10	9
The Gwalior Cement Co., Ltd.	40,55,613	8	2
The Indian Cement Co., Ltd.	21,57,581	2	2
The Shahabad Cement Co., Ltd. (Under construction)	11,60,758	3	10
	Rs. 4,58,29,351	3	8

No. 7581/232 of the 14th December 1923.

**From the Chamber to Messrs. Killick Nixon & Co., Agents,
the Bundi Portland Cement, Ltd., the Punjab Portland
Cement, Ltd.**

I am directed to acknowledge the receipt of your letter No. B.H.L. 10/9875, dated the 20th November 1923, and its accompaniments, in which the support of the Chamber is requested to an application which the indigenous cement trade has made to the Tariff Board and the Government of India for an enhancement of the Customs Duty on imported cement.

2. In reply I am to state that the case for the imposition of a protective duty on imported cement in the interests of the indigenous article as set forth in the accompaniments to your letter has received the most careful consideration of the Committee of the Chamber who, however, are of opinion that the arguments adduced by the companies concerned, when considered in the light of the circumstances in which

the claim is made, are not such as would justify the Committee in according the support of this Chamber to the Cement Companies' representation.

3. Accordingly I am to say that while my Committee are grateful for the opportunity which you have afforded them of reviewing the indigenous Cement Companies' claim for protection, they regret that they are unable to accord the representation their support for the reasons which I have endeavoured to indicate above.

No. B.H.L. 59/1084 of the 17th December 1923.

From Messrs. Killick Nixon & Co. to the Chamber.

We have to acknowledge receipt of your No. 2581/232 of 14th instant, and beg to thank your Committee for the courteous consideration of the application made by the indigenous cement trade to the Tariff Board through the Government of India.

We regret that your Committee does not feel itself able to accord their support to the representation made as such would doubtless have been of great value.

APPENDIX J-3.

EXPORT DUTY ON HIDES AND SKINS.

Dated 5th March 1923.

Telegram from Madras Chamber to the Chamber.

The Madras Chamber of Commerce and the Southern India Skin and Hide Merchants' Association strongly protest against the reduction in Export Duty on raw hide and Skins and at a Joint Meeting held to day it was unanimously resolved to suggest that no rebate be allowed to Empire countries and

that an export duty of fifteen per cent. should apply to all countries. If proposal now before Legislative Assembly be adopted the tanning industry of India which at present is in a very critical condition will be further seriously affected if not crippled.

No. 743/134 of the 22nd March 1923.

Telegram from the Chamber to the Hon'ble Sir Arthur Froom, Delhi.

Reference proposed reduction in Export Duty on raw hides this Chamber is of opinion that no change should be made for the present. Recent final clearance of Government stocks in London means that for the first time the duty will have a chance to achieve its purpose.

No. 2704 of the 29th March 1923.

From the Director-General of Commercial Intelligence Calcutta to the Chamber.

As you will have seen, the Export Duty on hides and skin has been reduced to a flat rate of five per cent. and in his speech the Hon'ble the Commerce Member made it clear that concomitantly the Tariff valuation would be raised to correspond strictly with market values. I now write to say that revised valuations will be brought into effect on the 1st June 1923, and I attach a statement showing the valuations which it is proposed to bring into effect from that date. If you desire to put forward any criticisms of the rates proposed, I should be glad if you would kindly let me have them at as early a date as possible—before the 15th April at the latest. In order to avoid misapprehension, I would add that these rates are intended to represent averages at the major Indian ports of all the grades under each heading exported from India.

Proposed Valuations.

		Rs. a.	
(1) Arsentcaied and air dried hides—			
(a) Cows (including calf skins)	Framed ..	0 9	per lb.
	Unframed ..	0 5	„
	Framed ..	0 5	„
(b) Buffaloes (including calf skins)	Unframed ..	0 3	„
(2) Dry salted hides—			
(a) Cows (including calf skins)	0 4	„	
(b) Buffaloes (including calf skins)	0 2½	„	
(3) Wet salted hides—			
(a) Cows (including calf skins)	0 3	„	
(b) Buffaloes (including calf skins)	0 2	„	
(4) Goat and kid skins	1 12	per p.	
(5) Sheep skins	0 12	„	

No. 922/134 of the 12th April 1923.

From the Chamber to the Director-General of Commercial Intelligence, Calcutta.

I have the honour to acknowledge the receipt of your letter No. 2704, dated the 29th March 1923, and the accompanying copy of a statement showing the valuations of hides and skins for the purpose of export duty that it is proposed to put into effect on the 1st June 1923 and in which you request me to inform you of any criticisms of the proposed valuations that my Committee may wish to put forward.

In reply I am to state that my Committee have no criticisms to offer regarding the proposed valuations.

APPENDIX K-1.

TARIFF VALUATIONS OF PAPER.

Dated the 11th January 1923.

**From Messrs. Lyon, Lord & Co., Ltd., Bombay, Agents,
Messrs. W. V. Bowater & Sons, Ltd., London,
to the Chamber.**

In connection with the Tariff Valuations on Paper which came into force on 1st January 1923, we beg to enclose here-

with a copy of our letter to the Collector of Customs showing the Excessive Duty we have had to pay on a consignment of paper just received.

We have to request that your Committee will see their way to take up this question with Government and endeavour to obtain a revision of the present Tariff Valuations, that will provide a proper basis for the payment of the 15 per cent. duty at which the Act aims.

Copy.

Dated the 10th January 1923.

**From Messrs. Lyon, Lord & Co., Ltd., Bombay, Agents,
Messrs. W. V. Bowater & Sons, Ltd., London to the
Collector of Customs, Bombay.**

47 Bales Glazed Coloured Silver Paper ex. "Yeddo" Manifest No. 854 of 4th January 1923, Index No. 140 of 6th January 1923.

We beg to draw your attention to the Excessive Duty we have been charged on the above consignment of paper imported by us as Agents of Messrs. W. V. Bowater and Sons.

We originally bought this paper for a dealer who subsequently became insolvent. The contract was made in June at 3/2d. c. i. f. per ream of 7½ lbs. and the goods are invoiced to us at this price, the invoice amount being £357-10-4. The goods have been assessed for duty under the new Tariff at 9 annas per lb., the actual duty charged being Rs. 1,429-4-0 or at Exchange 1/4d. £95-5-8, equivalent to 26½ per cent. of the invoice value.

Since the contract was made in June, market values have fallen considerably and we cannot now obtain 2/9d. per ream c. i. f. The Duty we have paid therefore represents more than 30 per cent. of the actual market value of the goods.

You will realise that we have therefore incurred a very heavy loss owing to the Tariff Valuation being fixed at a figure which bears no relation either to the invoice value or the current market value of the goods, and we therefore pay this Duty under protest, in the hope that Government will issue fresh instructions that will enable us to obtain a refund of the excess Duty paid.

No. 93/9 of the 11th January 1923.

**From the Chamber to Messrs. Lyon, Lord & Co., Ltd.,
Bombay.**

I beg to acknowledge receipt of your letter of the 11th January 1923, regarding the harsh operation of the existing tariff valuation of paper for purposes of import duty and to say that it will be laid before my Committee at their next meeting.

No. 96/9 of the 12th January 1923.

**From the Chamber to Messrs. Bennett, Coleman & Co.,
Ltd., Bombay.**

A member of this Chamber has officially requested me to lay before my Committee certain facts relating to the import duty levied on paper together with a request that my Committee represent to the Collector of Customs, the desirability of the tariff valuations being reduced.

From a conversation I had with a representative of your firm some few days ago, I understand that you also consider that the present valuation of paper is too high; and if you can furnish me at an early date with any facts, figures or opinions that may be of assistance to my Committee in arriving at a decision on this question, I shall be very pleased to attach them to the correspondence above mentioned.

Dated the 15th January 1923.

**From Messrs. Bennett, Coleman & Co., Ltd., Bombay
to the Chamber.**

With reference to your letter No. 96/9 of the 12th instant, we do consider the tariff valuation of paper to be unfair. Our shipments of paper which have arrived recently have been charged at the higher scale and duty has been paid under protest. In one instance the paper was invoiced at 3½d per lb. c.i.f. and duty was levied at the rate of 6d. per lb. which means 26-2-3 per cent on the invoice price.

We enclose herewith a list of some kinds of papers together with their invoice prices and tariff value, also shewing the percentage of duty on the invoice prices. In one instance you will notice the rate is 37 per cent. On newspaper particularly 27½ per cent. duty we consider iniquitous. We are ourselves taking the matter up with the Government of India through our representative in Delhi and hope some relief from this heavy taxation will be obtained. It is particularly hard on people like ourselves who have to execute large contracts for printed matter for some years ahead at a fixed price to have this additional duty imposed which must necessarily be cut from our profits and which in some instances will mean that we are actually working at a loss.

Quality of Paper.	Invoice Price per Ton C.I.F.	Price per Ton Tariff Value.	Duty payable under this Tariff.
	£ s. d.	£ s. d.	Per cent.
News	19 0 0	30 6 8	27½
Printing	32 0 0	56 0 0	26
Super Calendered	31 10 0	56 0 0	26½
Featherweight	42 0 0	56 0 0	20
Cover paper	42 0 0	56 0 0	20
Imitation Art	35 0 0	56 0 0	24
Cream Laid 1	42 0 0	84 0 0	30
" " 2	37 6 8	84 0 0	34
" " 3	32 13 4	84 0 0	37
Bank	47 10 0	84 0 0	26½
Bond	60 13 4	84 0 0	21
Art paper	56 0 0	84 0 0	22½

No. 209/9 of the 26th January 1923.

**From the Chamber, to the Director-General of Commercial
Intelligence, Calcutta**

I am directed to inform you that the attention of my Committee has recently been drawn by two members of the Chamber to the provisions of item 94—Paper and articles made of paper, etc.,—in Schedule II annexed to Government of

India Notification No. 6705, which fixes the tariff values for the current year of the articles in question.

2. As you are aware the provisions of the item in question represent a considerable departure from previous practice inasmuch as certain descriptions of paper specified therein are no longer assessed for duty on an *ad valorem* basis but on the basis of certain fixed valuations, as in the case of iron and steel, sugar, etc. According to the evidence adduced by the members concerned the adoption of this system in the case of certain descriptions of paper has been found to operate very unfairly in the case of consignments now coming forward on account of the margin which exists between current market values and the tariff valuations fixed under the Notification in question. I enclose a statement which has been supplied to my Committee in the foregoing connection from which it will be observed that the effect of the above procedure is that the articles assessed to duty at the fixed valuations are paying by way of such duty an amount which represents a very much higher percentage of the invoice value of the goods than the actual tariff rate of 15 per cent.

3. In bringing the above facts to your notice I am, however, to say that my Committee realize that they were afforded the fullest possible opportunity of discussing the question with you on the occasion of the annual tariff valuation revision meeting in November last and that it is a matter of regret that the effect of the change was not realized by the representatives of the members concerned when they were asked to meet you on the occasion in question. The object of their present letter is therefore merely to invite your attention to the facts as stated above and to express the hope that you can see your way to accord the trade in question such relief as may be possible in the circumstances cited.

No. 784 of the 29th January 1923.

**From the Director-General of Commercial Intelligence,
Calcutta, to the Chamber.**

I write to acknowledge receipt of your letter No. 209/9, dated the 26th January, 1923, on the subject of the tariff

valuations of paper and to say that I have this case under examination at the present time.

I shall be in Bombay for a week from the 4th February next, and, if any of your members interested would care to discuss the matter with me, I shall be very glad to see them. My address will be C/o the Collector of Customs, New Custom House, Bombay.

DEPARTMENT OF COMMERCE.

NOTIFICATION.

CUSTOMS DUTIES.

DELHI, the 15th February, 1923.

No. 1042.—In exercise of the powers conferred by Section 3 of the Indian Tariff Act, 1894 (VIII of 1894), the Governor-General in Council is pleased to make the following amendment in entry No. 94 of Schedule II appended to the Notification of the Government of India in this Department No. 6705, dated the 23rd December 1922:—

		<i>For</i>		<i>Per cent.</i>
94	PAPER AND ARTICLES MADE OF PAPER AND PAPIER MACHÉ, PASTEBOARD, MILLBOARD, AND CARDBOARD, all sorts, and STATIONERY—including ruled or printed forms, and account and manuscript books, drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form, including also wastepaper and old newspapers for packing except old newspapers in bales and bags, but excluding trade catalogues and advertising circulars imported by packet, book, or parcel post (<i>see</i> No. 93) and also excluding the descriptions given below:—	..	<i>Ad valorem.</i>	15
	Old newspapers in bales and bags.	cwt.	Rs. a. p. 8 8 0	15
	News printing paper	lb.	0 3 3	15

	For		Per cent.
Printing paper—		Rs. a. p.	
Flints	lb.	0 14 0	15
Real Art	„	0 9 0	15
Imitation Art, machine finish, super calendered, ivory finish account book (printing), antique, stereo, litho, poster, cartridge, cover paper and machine glazed pressings.	„	0 6 0	15
Other sorts, including coated papers.	..	<i>Ad</i> <i>valorem.</i>	15
Packing and wrapping paper—			
Nature brown, Manilla machine- glazed and unglazed, sul- phite envelope, kraft and imitation kraft.	lb.	0 4 0	15
Tissues, white and coloured ..	„	0 9 0	15
Writing paper—			
Bond, bank, loan, cream laid and wove and also white and coloured, glazed and un- glazed.	„	0 9 0	15
Other sorts including handmade	..	<i>Ad</i> <i>valorem.</i>	15
Straw boards	cwt.	14 8 0	15

	Substitute			Per cent.
94	PAPER AND ARTICLES MADE OF PAPER AND PAPIER MACHÉ, PASTEBOARD, MILL BOARD, AND CARDBOARD, all sorts, and STATIONERY, including ruled or printed forms and account and manuscript books, drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form, including also wastepaper and old newspapers for packing except old newspapers in bales and bags, but excluding trade catalogues and advertising circulars imported by packet, book, or parcel post (see No. 93) and also excluding the descriptions given below:—	..	<i>Ad valorem.</i>	15
	Old newspapers in bales and bags ..	cwt.	Rs. a. p. 8 8 0	15
	News printing paper, glazed and unglazed.	lb.	0 2 6	15
	Printing paper—			
	Real Art	..	0 7 6	15
	Imitation Art, machine finish, super calendered, ivory finish, account book (printing), antique, stereo, litho, poster, cartridge, cover paper and machine glazed pressings.	..	0 4 9	15
	Other sorts, including coated paper and flints.	..	<i>Ad valorem.</i>	15
	Packing and wrapping paper—			
	Nature brown, Manilla machine-glazed and unglazed, sulphate envelope, kraft and imitation kraft.	lb.	0 3 6	15
	Tissues, white and coloured ..	..	<i>Ad valorem.</i>	15
	Writing paper—			
	Bond, bank, and also white and coloured, glazed and unglazed..	..	0 7 6	15
	Cremlaid and wove	..	0 6 0	15
	Other sorts including handmades and loans	..	<i>Ad valorem.</i>	15
	Straw boards	cwt.	11 8 0	15

APPENDIX K-2.

TARIFF VALUATIONS.

DEPARTMENT OF COMMERCE.

Notification.

TARIFF VALUATIONS.

Delhi, the 22nd December, 1923.

No. 73-T.—In exercise of the powers conferred by Section 3 of the Indian Tariff Act, 1894 (VIII of 1894), and in supersession of the Notifications of the Government of India in the Department of Commerce, No. 6705, dated the 23rd December, 1922, No. 1042, dated the 15th February, 1923, Nos. 2724 and 2725, dated the 5th May, 1923, the Governor-General in Council is pleased to fix, with effect from the 1st January, 1924, for the articles specified in column 3 of the Import Tariff Schedule and column 2 of the Export Tariff Schedule hereto annexed, the tariff values stated in columns 5 and 4 respectively of the said schedules.

D. T. CHADWICK,

Secretary to the Government of India.



SCHEDULE II.—IMPORT TARIFF.

Note.—In the expression "*ad valorem*" used in this schedule the reference is to "real value" as defined in section 30 of the Sea Customs Act, 1878 (VIII of 1878).

Serial No.	No. in the statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—Food, Drink and Tobacco.		Rs. a.	
		FISH.			
1	37	FISH, SALTED, wet or dry.	Indian md. of 82½ lbs. avoirdupois weight.	.....	Such rate or rates of duty not exceeding one rupee as the Governor-General in Council may, by notification in the <i>Gazette of India</i> , from time to time prescribe.*
2	65	FISH, excluding salted fish.	.....	<i>Ad valorem</i>	15 per cent.
3	66	FISHMAWS, including singly and sozille and sharkfins.	.....	"	15 " "
		FRUITS AND VEGETABLES.			
4	67	FRUITS AND VEGETABLES, all sorts, fresh, dried, salted or preserved—			
		Almonds without shell.	cwt.	65 0	15 per cent.
		" kagazi Persian in the shell.	"	90 0	15 "
		" in the shell Persian.	"	14 0	15 "
		" all other sorts	..	<i>Ad valorem</i>	15 "
		Cashew or cajoo kernels.	cwt.	22 0	15 "
		Cocoanuts, Straits and Dutch East Indies.	thousand.	120 0	15 "
		" Maldives ...	"	39 0	15 "
		" other ..	"	55 0	15 "
		" kernel (khopra).	cwt.	20 0	15 "

* The rate on the 1st January 1924 and until further notice is annas 15.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		1.—Food, Drink and Tobacco—<i>contd.</i>		Rs. a.	
		FRUITS AND VEGETABLES—<i>contd.</i>			
		Currants	cwt.	35 0	15 per cent.
		Dates, dry, in bags ...	"	8 0	15 "
		" wet, in bags, baskets and bundles.	"	6 0	15 "
		" wet, in pots, boxes, tins, and crates.	"	10 0	15 "
		Garlic	"	7 8	15 "
		Pistachio nuts	"	90 0	15 "
		Raisins, Munakka, Persian Gulf.	"	15 0	15 "
		" other sorts ... ..	.....	<i>Ad valorem</i>	15 "
		All other sorts of fruits and vegetables, fresh, dried, salted or preserved.	.....	"	15 "
		GRAIN, PULSE, AND FLOUR.			
5	68	FLOUR ... ..	.....	<i>Ad valorem</i>	15 "
6	47	GRAIN AND PULSE, all sorts, including broken grain and pulse, but excluding flour (see No. 5).	.....	"	2½ per cent.
		LIQUORS.			R. a.
7	28	ALE, Beer, Porter, Cider and other fermented liquors.	Imperial gallon or 6 quart bottles.	.....	0 8
8	29	DENATURED SPIRIT ... ..	... ..	<i>Ad valorem</i>	7½ per cent.
9	31	LIQUEURS, Cordials, Mixtures and other preparations containing spirit—			R. a.
		(a) Entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon or 6 quart bottles	.....	30 0 or 15 per cent. <i>ad valorem</i> , whichever is higher.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		1.—Food, Drink and Tobacco—<i>contd.</i>		Rs. a.	
		LIQUORS—<i>contd.</i>			
		(b) If tested ...	Imperial gallon or 6 quart bottles of the strength of London proof.	.....	Rs. a. 21 14 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof. or 15 p. c. <i>ad valorem</i> , whichever is higher.
10	50	PERFUMED SPIRITS ...	Imperial gallon or 6 quart bottles.	.....	Rs. 36 or 15 per cent. <i>ad valorem</i> , whichever is higher.
11	32	All other sorts of SPIRIT.	Imperial gallon or 6 quart bottles of the strength of London proof.	.....	Rs. 21-14-0 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof. or 15 p. c. <i>ad valorem</i> , whichever is higher.
12	53	WINES—			
		Champagne and all other sparkling wines not containing more than 42 per cent. of proof spirit.	Imperial gallon or 6 quart bottles.	.....	Rs. 9 0 0
		All other sorts of wines not containing more than 42 per cent. of proof spirit.		.....	" 4 8 3
		Provided that all sparkling and still wines containing more than 42 per cent. of proof spirit shall be liable to duty at the rate applicable to "All other sorts of Spirit."			

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		1.—Food, Drink and Tobacco—<i>contd.</i>		Rs. a.	
		PROVISIONS AND OILMAN'S STORES.			
13	69	PROVISIONS, OILMAN'S STORES, AND GROCERIES, all sorts, excluding Vinegar, in casks (see No. 14)—			
		Butter	lb.	2 0	15 per cent.
		Cassava, Tapioca or Sago (whole).	cwt.	17 0	15 "
		Cassava, Tapioca or Sago (flour).	"	13 0	15 "
		China preserves in syrup.	box of six large or twelve small jars.	9 0	15 "
		China preserves, dry, candied.	lb.	0 8	15 "
		China canned fruit ...	case of 4 doz.	16 0	15 "
		Cocum	cwt.	7 0	15 "
		Ghi	"	60 0	15 "
		Vermicelli, flour, Chinese.	"	30 0	15 "
		Vermicelli, peas, Chinese.	"	34 0	15 "
		Vermicelli, rice, Chinese.	"	18 0	15 "
		Yeast, Chinese ..	"	27 0	15 "
		All other sorts of provisions, oilman's stores and groceries.	.....	<i>Ad valorem</i>	15 "
14	48	VINEGAR, in casks ..	"	"	2½ "
		SACCHARINE.			
15	34A	SACCHARINE (except in tablets).	lb.	.....	Rs. a. 20 0
16	34B	SACCHARINE TABLETS ..	.....	<i>Ad valorem</i>	25 per cent. or Rs. 20 per pound of saccharine contents, whichever is higher.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—Food, Drink and Tobacco—<i>contd.</i>		Rs a	
		SPICES.			
17	70	SPICES, all sorts—			
		Betelnuts, raw, whole, split, or sliced, also red whole from Goa.	cwt.	15 0	15 per cent. c
		Betelnuts, raw, whole, split or sliced, also red whole from Straits.	"	14 0	15 "
		Betelnuts, boiled, split or sliced.	"	22 8	15 "
		Betelnuts, whole, from Ceylon.	"	15 0	15 "
		" raw, split (sun-dried) from Ceylon	"	30 0	15 "
		" all other sorts.	.....	<i>Ad valorem.</i>	15 "
		Chillies, dry	cwt.	25 0	15 "
		Cloves	"	65 0	15 "
		" exhausted	"	16 0	15 "
		" stems and heads.	"	9 0	15 "
		" in seeds, narlavaug.	"	20 0	15 "
		Ginger, dry	"	35 0	15 "
		Mace	lb.	1 0	15 "
		Nutmegs	"	0 7	15 "
		" in shell	"	0 5	15 "
		Pepper, black	cwt.	27 0	15 "
		" white	"	56 0	15 "
		All other sorts of spices.	.....	<i>Ad valorem</i>	15 "
		SUGAR.			
18	124	CONFECTIONERY ... ..	.....	<i>Ad valorem.</i>	30 "
19	34	SUGAR, all sorts, including Molasses but excluding confectionery (see No. 18)—			
		Sugar, crystallised, and soft, not inferior to 8 Dutch standard—			

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—Food, Drink and Tobacco—<i>contd.</i>		Rs a.	
		SUGAR—<i>conold.</i>			
		From Java, 23 Dutch standard and above.	cwt.	17 12	25 per cent.
		From Java, 16 to 23 Dutch standard.	"	15 12	25 "
		From Java 15 Dutch standard and under.	"	15 4	25 "
		From Japan or Formosa.	"	19 12	25 "
		Refund in China including Hong-kong.	"	19 12	25 "
		From Egypt ...	"	18 12	25 "
		" Mauritius ...	"	16 4	35 "
		Cane, from other countries.	"	16 4	25 "
		Sugar, crystallised, beet.	"	17 12	25 "
		Molasses ...	"	4 0	25 "
		Sugar Candy ...	"	25 0	25 "
		Sugar, all other sorts	.....	<i>Ad valorem.</i>	25 "
		TEA.			
20	71	Tea—			
		Tea, black ...	lb.	0 12	15 per cent.
		" green ...	"	1 0	15 "
		OTHER FOOD AND DRINK.			
21	72	COFFEE ...	cwt.	36 0	15 per cent.
22	1	HOPS ...	.....	.....	Free.
23	35	SALT, excluding Salt exempted under No. 24.	Indian maund of 82½ lbs. avoirdupois weight.	.....	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.*

* The rate of excise duty on the 1st January 1924 and until further notice Rs. 2-8-0.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		I.—Food, Drink and Tobacco—<i>contd.</i>		Rs. a.	
		OTHER FOOD AND DRINK—<i>contd.</i>			
24	2	SALT imported into British India and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufacturers of glazed stoneware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in curing fish in those provinces.	....	.....	Free.
25	73	ALL OTHER SORTS OF FOOD AND DRINK not otherwise specified.	.....	<i>Ad valorem.</i>	15 per cent.
		TOBACCO.			Rs. a.
26	37	CIGARS AND CIGARETTES.	.....	<i>Ad valorem.</i>	75 per cent.
27	36	TOBACCO, unmanufactured.	lb.	.....	1 0
					Rs. a.
28	38	All other sorts of TOBACCO manufactured.	lb.	.....	2 4

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—Raw materials and produce and articles mainly unmanufactured.		Rs. a.	Rs. a.
		COAL, COKE AND PATENT FUEL.			
29	58	COAL, COKE AND PATENT FUEL.	ton	.....	0 8
		GUMS, RESINS AND LAC.			
30	74	GUMS, RESINS AND LAC, all sorts—			
		Gambier, block ...	cwt.	27 0	15 per cent.
		„ cube ...	„	27 0	15 „
		„ other sorts...	.....	<i>Ad valorem.</i> 15	„
		Gum Ammoniac ...	cwt.	33 0	15 „
		„ Arabic ...	„	25 0	15 „
		„ Benjamin, ras...	„	26 0	15 „
		„ „ cowrie.	„	60 0	15 „
		„ Bysabol (coarse myrrh).	„	45 0	15 „
		„ Olibanum or frankincense.	„	15 0	15 „
		„ Persian (false).	„	12 0	15 „
		Myrrh ...	„	45 0	15 „
		Rosin ...	„	16 0	15 „
		All other sorts of gums, gum-resins, and articles made of gum or gum-resin.	„ ...	<i>Ad valorem.</i> 15	„
		HIDES AND SKINS, RAW.			
31	3	HIDES AND SKINS, raw or salted.	.....	.....	Free.
		METALLIC ORES, AND SCRAP IRON OR STEEL FOR RE-MANUFACTURE.			
32	59	IRON OR STEEL, old ...	cwt.	2 0	10 per cent.
33	4	METALLIC ORES, all sorts, except ochres and other pigment ores.	.....	.....	Free.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the statutory schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—Raw materials and produce and articles mainly unmanufactured—<i>contd.</i>		Rs. a.	Rs. a. p.
		OILS.			
34	40	KEROSENE and MOTOR SPIRIT; also any mineral oil other than kerosene and motor spirit which has its flashing point below one hundred degrees of Fahrenheit's thermometer by Abel's close test.*	Imperial gallon.	....	0 3 6
35	41	MINERAL OIL which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer and is such as is not ordinarily used for any other purpose than for the batching of jute or other fibre, or for lubrication			
		Batching Oil... ..	ton	125 0	7½ per cent.
		Other sorts ... ..	.....	Ad valorem.	7½ „
36	41	Mineral oil which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purpose—			
		(i) imported in bulk.	ton	65 0	7½ „
		(ii) otherwise imported.	.....	Ad valorem	7½ „

* Motor spirit is liable to an additional duty of six annas per gallon under Act. II of 1917 as amended by Act III of 1919.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—Raw materials and produce and articles mainly unmanufactured—<i>contd.</i>		Rs. a.	
		OILS—<i>contd.</i>			
37	75	All sorts of animal, essential, mineral, and vegetable non-essential OILS not otherwise specified (see Nos. 34, 35 and 86):—			
		Cocoanut oil	cwt.	30 0	15 per cent.
		Linseed oil, raw and boiled.	gallon	4 8	15 „
		All other sorts of oil ... ..	.....	<i>Ad valorem.</i>	15 „
		SEEDS.			
38	6	OIL-SEEDS imported into British India by sea from the territories of any Prince or Chief in India.	.....	.....	Free.
39	76	SEEDS, all sorts, excluding oil-seeds specified in No. 38.	.....	<i>Ad valorem.</i>	15 per cent.
		TALLOW, STEARINE AND WAX.			
40	77	TALLOW AND STEARINE, including grease and animal fat, and Wax of all sorts, not otherwise specified (see No. 41).	.....	<i>Ad valorem.</i>	15 „
41	77	VEGETABLE WAX ..	cwt.	60 0	15 „
		TEXTILE MATERIALS.			
42	7	COTTON, raw ... ..	.....	.....	Free.
43	78	TEXTILE MATERIALS, the following:—			
		Silk waste and raw silk including cocoons:—			
		Bokhara	lb.	12 0	15 per cent.
		Floss ... ..	.....	<i>Ad valorem.</i>	15 „

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty
		II.—Raw materials and produce and articles mainly unmanufactured—<i>contd.</i>		Rs. a.	
		TEXTILE MATERIALS—<i>contd.</i>			
		Raw silk—Yellow Shanghai, including re-reeled.	lb.	8 0	15 per cent.
		Raw silk—Yellow from Indo-China, and places in China other than Shanghai, including re-reeled.	"	9 0	15 "
		Mathow	"	6 8	15 "
		Panjam	"	6 0	15 "
		Persian	"	9 0	15 "
		Siam	"	8 0	15 "
		White Shanghai, Thonkoon or Duppien.	"	5 0	15 "
		White Shanghai, other kinds including re-reeled.	"	9 0	15 "
		White other kinds of China, including re-reeled	"	11 0	15 "
		Waste and kachra ..	.....	<i>Ad valorem.</i>	15 "
		All other sorts, including cocoons.	.....	"	15 "
		Coir filere	cwt.	10 0	15 "
		Raw hemp	"	22 0	15 "
		Raw Flax, Jute and all other unmanufactured textile materials not otherwise specified.	.....	<i>Ad valorem</i>	15 "
44	8	WOOL, raw, and Wool tops.	.....	.....	Free.
		WOOD AND TIMBER.			
45	49	FIREWOOD ... ..	.....	<i>Ad valorem.</i>	2½ per cent.
46	79	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.	.....	"	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—Raw materials and produce and articles mainly unmanufactured—<i>contd.</i>		Rs. a.	
		MISCELLANEOUS.			
47	80	CANES AND RATTANS ...	.....	<i>Ad valorem.</i>	15 per cent.
48	81	COWRIES AND SHELLS—			
		Cowries, bazar, common.	cwt.	7 8	15 "
		" yellow, superior quality.	"	8 8	15 "
		" Maldivé ...	"	12 0	15 "
		" Sankhli ...	"	140 0	15 "
		Mother-of-pearl, nacre...	"	18 0	15 "
		Nakhla ...	"	130 0	15 "
		Tortoise-shell ...	lb.	7 0	15 "
		" nakh ...	"	2 4	15 "
		All other sorts, including articles made of shell, not otherwise described.	.....	<i>Ad valorem.</i>	15
49	82	IVORY, unmanufactured—			
		Elephants' grinders ...	cwt.	800 0	15 "
		" tusks (other than hollows, centres, and points), each exceeding 20 lbs. in weight, and hollows, centres, and points, each weighing 10 lbs. and over.	"	875 0	15 "
		Elephants' tusks (other than hollows, centres and points), not less than 10 lbs. and not exceeding 20 lbs. each, and hollows, centres, and points, each weighing less than 10 lbs.	"	750 0	15 "
		Elephants' tusks, each less than 10 lbs. (other than hollows, centres, and points).	"	475 0	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		II.—Raw materials and produce and articles mainly unmanufactured—<i>concl'd.</i>		Rs. * a.	
		MISCELLANEOUS—<i>concl'd.</i>			
		IVORY, unmanufactured— <i>concl'd.</i>			
		Sea-cow or moye teeth, each not less than 4 lb.	cwt.	200 0	15 per cent.
		Sea-cow or moye teeth, each not less than 3 lb. and under 4 lb.	"	165 0	15 "
		Sea-cow or moye teeth, each less than 3 lb.	"	100 0	15
		All other sorts unmanufactured not otherwise specified.	.....	<i>Ad valorem.</i>	15 "
50	9	MANURES, all sorts, including animal bones and the following chemical manures:—basic slag, nitrate of ammonia, nitrate of soda, muriate of potash, sulphate of ammonia, sulphate of potash, kainit salts, nitrate of lime, calcium cyanamide, mineral phosphates and mineral superphosphates.	.....	.....	Free.
51	83	PRECIOUS STONES, unset and imported cut.	.....	<i>Ad valorem</i>	15 per cent.
52	5	PRECIOUS STONES, unset and imported uncut, and PEARLS, unset.	.....	.....	Free.
53	10	PULP OF WOOD, RAGS and other paper-making materials.	.....	.....	Free.
54	84	ALL OTHER RAW MATERIALS AND PRODUCE, and articles mainly unmanufactured, not otherwise specified.*		<i>Ad valorem</i>	15 per cent.

* Under Government of India Notifications Nos. 4317, dated the 2nd July 1921, and 385, dated the 9th June 1923, unmanufactured Mica and Raw Rubber are exempt from payment of import duty.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured.		Rs. a.	
		APPAREL.			
55	85	APPAREL, including drapery, boots and shoes, and military and other uniforms and accoutrements, but excluding uniforms and accoutrements exempted from duty (No. 56) and gold and silver thread (Nos. 96 and 97) and articles made of silk (No. 107).	.....	<i>Ad valorem</i>	15 per cent.
56	11	UNIFORMS AND ACCOUTREMENTS appertaining thereto, imported by a public servant for his personal use.	.....	.....	Free.
		ARMS, AMMUNITION AND MILITARY STORES.			
57	42	Subject to the exemptions specified in No. 60, ARMS, AMMUNITION AND MILITARY STORES, that is to say—			Rs. a.
		(1) Firearms other than pistols, including gas and air-guns and rifles.	each.	.....	15 0
		(2) Barrels for the same, whether single or double.	"	.....	15 0
		(3) Pistols, including automatic pistols and revolvers.	"	.....	15 0
		(4) Barrels for the same, whether single or double.	"	.....	15 0
		(5) Main springs and magazine springs for firearms, including gas-guns and rifles.	"	.....	5 0
		(6) Gun stocks and breech blocks.	"	.....	3 0

or 30 per cent. *ad valorem* whichever is higher.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		ARMS, AMMUNITION AND MILITARY STORES—<i>contd.</i>			
		(7) Revolver-cylinders, for each cartridge they will carry.	each	.....	Rs. a. 2 6 }
		(8) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks for muzzle-loading arms.	"	.....	1 0 } or 30 per cent. <i>ad valorem</i> which ever is higher.
		(9) Machines for making, loading or closing cartridges for rifled arms.	.....	<i>Ad valorem.</i>	30 per cent.
		(10) Machines for capping cartridges for rifled arms.	.....	"	30 "
58	125	GUNPOWDER for cannons, rifles, guns, pistols and sporting purposes.	.....	"	30 "
59	126	Subject to the exemptions specified in No. 60 all ARTICLES other than those specified in entry No. 57 which are ARMS OR PARTS OF ARMS within the meaning of the Indian Arms Act, 1878 (excluding springs used for airguns which are dutiable as hardware, under No. 75), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any	.....	"	30

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i> ARMS, AMMUNITION AND MILITARY STORES—<i>contd.</i> articles which the Governor-General in Council may, by notification in the <i>Gazette of India</i>, declare to be ammunition or military stores for the purposes of this Act.		Rs. a.	
60	12	The following ARMS, AMMUNITION AND MILITARY STORES:— (a) Articles falling under the 5th, 6th, 8th, 9th or 10th item of No. 57 when they appear to a firearm falling under the 1st or 3rd item and are fitted into the same case with such firearm; (b) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform; (c) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a	.....	.....	Fres.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manu- factured—<i>contd.</i>		Rs. a.	
		ARMS, AMMUNITION AND MILITARY STORES—<i>contd.</i>			
		maximum of 100 rounds per revolver or pistol, (i) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxiliary Force or the Indian Territorial Force or a gazetted police officer, or (ii) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the Officer Commanding the station or district in which such officer is serving, or in the case of a police officer, by an Inspector-General or Commissioner of Police, to be imported by the officer for the purpose of his equipment ; (d) Swords for presentation as army or volunteer prizes ; (e) Arms, ammunitions and military stores, imported with the			

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manu- factured—<i>contd.</i>		Rs. A.	
		ARMS, AMMUNITION AND MILITARY STORES—<i>contd.</i>			
		sanction of the Government of India for the use of any portion of the military forces of a State in India which may be maintained and organized for Im- perial Service;			
		(f) Morris tubes and patent ammuni- tion imported by officers command- ing British and Indian regiments or volunteer corps for the instruction of their men.			
61	86	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blast- ing dynamite, blasting roburite, blasting tonite, and all other sorts, including detonators and blasting fuse.	...	<i>Ad valorem.</i>	15 per cent.
		CHEMICALS, DRUGS AND MEDICINES.			
62	13	ANTI-PLAGUE SERUM ...	.....	.....	Free.
63	50	COPPERAS, green— (1) imported in bulk .. (2) imported otherwise.	cwt.	5 0 <i>Ad valorem.</i>	2½ per cent. 2½ „ Rs. a.
64	43	OPIMUM and its alkaloids, and their derivatives.	seer of 80 tolas.	.....	24 0 or 15 per cent. <i>Ad valo-</i> <i>rem</i> , which- ever is high- er.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		CHEMICALS, DRUGS AND MEDICINES—<i>contd.</i>			
65	14	CINCHONA BARK and the alkaloids extracted therefrom including QUININE.	....	....	Free.
66	88	CHEMICALS, DRUGS AND MEDICINES, all sorts not otherwise specified—			
		Alkali, Indian (sajjikhari)	cwt.	3 8	15 per cent.
		Alum (lump) ...	"	10 0	15 "
		Ammonium chloride—	"	32 0	15 "
		Muriate of Ammonia, crystalline.	"	35 0	15 "
		Salammoniac, sublimed.	"	38 0	15 "
		Other sorts, including compressed.	"	38 0	15 "
		Arsenic (China mansil).	"	85 0	15 "
		" other sorts ...	....	<i>Ad valorem.</i>	15 "
		Bleaching powder ...	cwt.	12 8	15 "
		Carbide of Calcium ...	"	22 0	15 "
		Carbonate of Ammonia.	"	40 0	15 "
		Peppermint crystals ...	lb.	23 0	15 "
		Silicate of soda (in liquid form).	cwt.	11 8	15 "
		Soda ash including calcined natural soda and manufactured sesqui-carbonates.	"	7 0	15 "
		Soda bicarbonate ...	"	10 8	15 "
		" caustic, solid ...	"	17 8	15 "
		" " flake ...	"	23 0	15 "
		" " powdered ...	"	22 0	15 "
		" crystals (in bulk).	"	8 0	15 "
		Sulphate of copper ...	"	24 0	15 "
		Sulphur (brimstone), flowers.	"	6 0	15 "
		" " roll...	"	7 0	15 "
		" " rough...	"	5 0	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III—Articles wholly or mainly manufactured - <i>contd.</i>		Rs. a.	
		CHEMICALS, DRUGS AND MEDICINES—<i>contd.</i>			
		Trona or natural soda, uncalcined.	cwt.	3 8	15 per cent.
		All other sorts of chemical products and preparations not otherwise specified.*		<i>Ad valorem.</i>	15 "
		Aloe-wood ... ..	.....	"	15 "
		Asafoetida (hing) ...	cwt.	100 0	15 "
		" coarse	"	38 0	15 "
		(hingra)			
		Atary, Perstan ...	.....	<i>Ad valorem.</i>	15 "
		Banslochan (bamboo camphor).	lb.	0 8	15 "
		Calumba root ..	cwt.	10 0	15 "
		Camphor, refined, other than powder.	lb.	2 12	15 "
		Camphor powder, from Japan.	"	2 12	15 "
		Camphor powder, from China including Hongkong.	"	2 4	15 "
		Cassia lignea	cwt.	22 0	15 "
		China root (chobchini), rough.	"	29 0	15 "
		China root (chobchini), scraped.	"	30 0	15 "
		Cubebs	"	150 0	15 "
		Galangal, China ...	"	12 8	15 "
		Salep	"	250 0	15 "
		Storax, liquid (rose mellos or salaras).	"	50 0	15 "
		All other sorts of drugs, medicines and narcotics.	.....	<i>Ad valorem.</i>	15 "

* Under Government of India Notifications Nos. 1796, dated 1st April 1922, and 1383, dated 10th November 1923, Urea and Carbo Limo are exempt from the payment of import duty.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		CONVEYANCES.			
67	87	CONVEYANCES, including tram cars, motor omnibuses, motor-lorries, motor-vans, passenger lifts, carriages, carts, jinrikshas, bath-chairs, perambulators, trucks, wheel barrows, bicycles, tricycles, and all other sorts of conveyances not otherwise specified, and component parts and accessories thereof, except such parts and accessories of the motor vehicles above-mentioned as are also adapted for use as parts or accessories of motor-cars, motor cycles, or motor scooters (see No. 68).	...	<i>Ad valorem.</i>	15 per cent.
68	12	MOTOR-CARS, motor cycles, motor-scooters, and articles adapted for use as parts and accessories thereof: provided that such articles as are ordinarily also used for purposes other than as parts and accessories of motor-vehicles included in this item or in No. 67 shall be dutiable at the rate of duty specified for such articles.	.....	"	30 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS.			
69	15	The following AGRICULTURAL IMPLEMENTS, namely, winnowers, threshers, moving and reaping machines, binding machines, elevators, seed-crushers, chaffcutters, root-cutters, ensilage cutters, horse and bullock gears, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, and rakes; also agricultural tractors; also component parts of these implements of tractors, provided that they can be readily fitted into their proper places in the implements or tractors for which they are imported and that they cannot ordinarily be used for purposes unconnected with agriculture.	.....	.....	Free.
70	129	ARTICLES PLATED WITH GOLD AND SILVER.	.....	<i>Ad valorem.</i>	30 per cent.
71	128	CLOCKS AND WATCHES, and parts thereof.	.....	"	30 "
72	89	CUTLERY, excluding plated cutlery (see No. 70).	.....	"	15 "
73	16	The following DAIRY APPLIANCES, namely, cream separators, milk sterilizing or pasteurizing plant, milk aerating	.....	.....	Free.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i> CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS—<i>contd.</i> and cooling apparatus, churns, butter dryers, and butter workers; also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy purposes.		Rs. a.	
74	90A	ELECTRICAL CONTROL GEAR AND TRANSMISSION GEAR, namely, switches, fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insula-	.....	<i>Ad valorem.</i>	15 per cent.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured— <i>contd.</i>		Rs. a.	
		CUTLERY, HARDWARE; IMPLEMENTS AND INSTRUMENTS— <i>contd.</i>			
		tors, including also cleats, connectors; leading in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof.			
75	90	HARDWARE. IRONMONGERY AND TOOLS, all sorts, not otherwise specified.	.....	..	15 per cent.
76	17	INSTRUMENTS, APPARATUS, AND APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	.....	.....	Free.
77	130	MUSICAL INSTRUMENTS and parts thereof.	.. ...	Ad valorem,	30 per cent.
78	59	TELEGRAPHIC INSTRUMENTS AND APPARATUS, and parts thereof, imported by or under the orders of a railway company.	.....	"	10 "
79	10	WATER LIFTS, SUGAR MILLS, OIL PRESSES, and parts thereof, when constructed so that they can be worked by manual or animal power.	.....	.....	Free.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		OUTLERY, HARD-WARE, IMPLEMENTS AND INSTRUMENTS—<i>concl.</i>			
80	91	All other sorts of IMPLEMENTS, INSTRUMENTS, APPARATUS AND APPLIANCES, and parts thereof not otherwise specified.*		<i>Ad valorem.</i>	15 per cent.
		DYES AND COLOURS.			
81	92	DYEING AND TANNING SUBSTANCES, all sorts, AND PAINTS AND COLOURS and painters' materials, all sorts—			
		Alizarine dye, dry, not exceeding 40 per cent.	lb.	1 12	15 "
		Alizarine dye, dry, over 40 per cent. but not exceeding 50 per cent.	"	2 0	15 "
		Alizarine dye, dry, over 50 per cent. but not exceeding 60 per cent.	"	2 4	15 "
		Alizarine dye, dry, over 60 per cent. but not exceeding 70 per cent.	"	2 8	15 "
		Alizarine dye, dry, over 70 per cent. but not exceeding 80 per cent.	"	2 12	15 "

* Under Government of India Notification No. 245, dated the 19th May 1923, apparatus for wireless telegraphs imported in accordance with the terms of the Notification of the Government of India in the Commerce Department No. 6081, dated the 22nd October 1921, is liable to duty at $2\frac{1}{2}$ per cent. *ad valorem*

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		DYES AND COLOURS—<i>contd.</i>			
		Alizarine dye, dry, over 80 per cent.	lb.	3 4	15 per cent.
		Alizarine dye, moist, not exceeding 10 per cent.	"	0 8	15 "
		Alizarine dye, moist, over 10 per cent. and not exceeding 16 per cent.	"	6 10	15 "
		Alizarine dye, moist, over 16 per cent. and not exceeding 20 per cent.	"	0 12	15 "
		Alizarine dye, moist, exceeding 20 per cent.	"	1 4	15 "
		Aniline dye, moist ...	"	2 4	15 "
		Aniline dyes, black, of sulphur series.	"	0 12	15 "
		Aniline dyes, congo red.	"	1 4	15 "
		All other aniline dyes, dry.	"	2 8	15 "
		Aniline salts ... ..	... ..	<i>Ad valorem.</i>	15 "
		Avar bark	cwt.	4 8	15 "
		Cochineal	lb.	0 14	15 "
		Gallnuts (myrabolams)..	.....	<i>Ad valorem.</i>	15 "
		Gallnuts Persian ...	cwt.	35 0	15 "
		Gamboge	lb.	2 8	15 "
		All other sorts of dyeing and tanning materials.	.....	<i>Ad valorem.</i>	15 "
		Lead, red, dry	cwt.	27 0	15 "
		Lead white, dry	"	35 0	15 "
		Turpentine	Imperial gallon.	5 8	15 "
		Vermilion, Canton ...	box of 90 bundles.	200 0	15 "
		Zinc, white, dry	cwt.	45 0	15 "
		All other sorts of paints, colours pigment ores and painters' materials not otherwise specified, including glue and putty.	.....	<i>Ad valorem.</i>	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a. p.	
		FURNITURE, CABINETWARE AND MANUFACTURES OF WOOD.			
82	93	FURNITURE, CABINETWARE, and all other manufactures of wood not otherwise specified.	.....	<i>Ad valorem.</i>	15 per cent.
		GLASSWARE AND EARTHENWARE.			
83	94	GLASS AND GLASSWARE, lacquered ware, earthenware, China and porcelain; all sorts, except glass bangles, beads, and false pearls and aerated water bottles (Codd's pattern) (<i>see</i> Nos. 84 and 85).	.....	<i>Ad valorem</i>	15 "
84	94	Aerated water bottles (Codd's pattern)—			
		8 ozs. and under ..	gross.	45 0 0	15 "
		Over 8 ozs.	"	55 0 0	15 "
85	131	GLASS BEADS AND FALSE PEARLS.	.....	<i>Ad valorem</i>	30 "
		GLASS BANGLES—			
		<i>China—</i>			
		Nimuchi and pasalai	100 pairs	2 0 0	30 "
		Bracelet Jadi and fancy all kinds	"	4 0 0	30 "
		Rajawarakh all kinds	"	9 0 0	30 "
		<i>Japan—</i>			
		Reshmi, plain and fancy, all colours, including vakmel.	dozen pairs	0 2 0	30 "
		Sonerikada (golbala)	"	0 4 6	30 "

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a. p.	
		GLASSWARE AND EARTHENWARE—<i>concl.</i>			
		<i>European—</i>			
		Common, including plain-colour, painted, and flowered—			
		Garnet and ruby ... dozen pairs.		0 14 0	30 per cent.
		All colours, excepting garnet and ruby, but including pasabadrang.	"	0 5 0	30 "
		Gilt and fancy, all sizes including Keri-hira, Chandera, Salmadar, "K" flower, Momachi, and including pressed and painted.	"	1 9 0	30 "
		Pasaful and machine polished tin, including patilflower and fancy round rings	"	1 0 0	30 "
		Common mirror bangles including chasma and Ravidarbar.	"	0 14 0	30 "
		Pasalal ...	"	0 10 0	30 "
		All other kinds ...	.....	<i>Ad valorem</i>	30 "
		HIDES, SKINS AND LEATHER.			
86	95	HIDES AND SKINS not otherwise specified, LEATHER AND LEATHER MANUFACTURES, all sorts, not otherwise specified.	.....	<i>Ad valorem</i>	15 "
		MACHINERY.			
87	51	MACHINERY, namely, such of the following articles as are not specified in any of the following	.....	"	2½ "

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manu- factured—<i>contd.</i>		Rs. a.	
		MACHINERY—<i>contd.</i>			
		numbers, namely, Nos. 67, 68, 69, 73, 74, 89, 102, 114, 127, 132, and 134—			
		(1) prime-movers, boi- lers, locomotive en- gines and tenders for the same, portable en- gines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime- mover is not separa- ble from the opera- tive parts;			
		(2) machines and sets of machines to be worked by electric, steam, water, fire or other power not being manual or animal labour, or which, before being brought into use, require to be fixed with refer- ence to other moving parts;			
		(3) apparatus and ap- pliances, not to be operated by manual or animal labour, which are designed for use in an indus- trial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;			

SCHEDULE II--IMPORT TARIFF--*contd.*

Serial. No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manu- factured—<i>contd.</i> MACHINERY—<i>contd.</i> (4) control gear, self-acting or otherwise, and transmission gear designed for use with any machinery above specified, including belting of all materials and driving chains but not driving ropes; (5) bars; hard-drawn electrolytic copper wires and cables, and other electrical wires and cables, insulated or not; and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof. <i>Note.</i> —The term "industrial system" used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.		Rs. a.	
88	51A	COMPONENT PARTS OF MACHINERY, as defined in No. 87, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;	.....	<i>Ad valorem</i>	2½ per cent.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the statutory schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i> MACHINERY—<i>concl'd.</i> Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.		Rs. a.	
89	96	MACHINERY and component parts thereof, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified (<i>see</i> Nos. 69, 73 and 79) and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one-quarter of one brake-horse-power.	.....	<i>Ad valorem</i>	15 per cent.
		METALS, IRON AND STEEL.			
90	60	IRON— ANGLE— Angle and T, not fabricated— Crown and superior qualities. Other kinds Other kinds, if galvanized, tinned, or lead coated.	ton. " "	200 0 160 0 200 0	10 10 10 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manu- factured—<i>contd.</i>		Rs. a.	
		METALS, IRON AND STEEL—<i>contd.</i>			
		IRON ANGLE.—<i>concl.</i>			
		Angle and T, fabri- cated.	.....	<i>Ad valorem</i>	10 per cent.
		BAR, ROD AND CHANNEL, including channel for carriages—			
		Bar, qualities supe- rior to Grade A of the British Engi- neering Standard Association.	ton.	350 0	10 "
		Bar, Grade A of the British Engineer- ing Standard Asso- ciation and Crown quality and inter- mediate qualities—			
		Over $\frac{1}{4}$ inch in diameter or thickness.	"	160 0	10 "
		$\frac{1}{2}$ inch and under in diameter or thickness.	"	190 0	10 "
		Bar, common	"	140 0	10 "
		Bar, common, if gal- vanised, tinned, or lead coated.	"	180 0	10 "
		Channel, including channel for carria- ges.	"	170 0	10 "
		All other sorts	.....	<i>Ad valorem</i>	10 "
		PIG	ton.	90 0	10 "
		RICE BOWLS	cwt.	25 0	10 "
91	61	IRON OR STEEL—			
		ANCHORS AND CABLES.	.....	<i>Ad valorem</i>	10 "
		BEAMS, Joists, pillars, girders and other structural shapes, whether fabricated or not, screw-piles, bridge work and other	.....	"	10 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		METALS, IRON AND STEEL—<i>contd.</i>			
		IRON OR STEEL—<i>contd.</i>			
		descriptions of iron or steel, not ordinarily used for other than building purposes; including ridging, guttering, flashing and continuous roofing; also including expanded metal and other descriptions of iron or steel designed for use in the reinforcing of concrete; but not including builders' hardware, that is to say, grates, stoves, ventilators, door and window fittings and the like; (<i>see</i> No. 75).			
		BOLTS and nuts, including hook, bolts and nuts for roofing.	"...	<i>Ad valorem</i>	10 per cent.
		HOOPS AND STRIPS—			
		Hoops, Crown and superior qualities.	ton.	250 0	10 "
		Hoops, other kinds ...	"	200 0	10 "
		Hoops, other kinds if galvanized, tinned, planished, lead coated or aluminium coated	"	250 0	10 "
		Strips, Crown and superior qualities.	"	250 0	10 "
		Strips, other kinds ...	"	200 0	10 "
		Strips, other kinds if galvanised, tinned, planished, lead coated, or aluminium coated.	"	250 0	10 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manu- factured—<i>consd.</i>		Rs. a.	
		METALS, IRON AND STEEL—<i>contd.</i>			
		IRON OR STEEL—<i>contd.</i>			
		NAILS, RIVETS AND WASHERS, all sorts—			
		Nails, wire or French.	cwt.	14 0	10 per cent.
		Nails, rose, deck, and flat-headed.	"	20 0	10 "
		Nails, other kinds, including galvanis- ed, tinned or lead coated and panel pins and tacks.	"	33 0	10 "
		Rivets, black ...	"	14 0	10 "
		" other sorts ...	"	24 0	10 "
		Washers, galvanised, nickel plated, tinn- ed or lead coated and dome-shaped, spring or locking washers.	.....	<i>Ad valorem.</i>	10 "
		Washers, other sorts.	cwt.	19 0	10 "
		PIPES AND TUBES, and fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like.	.....	<i>Ad valorem</i>	10 "
		RAILS, CHAIRS, sleep- ers, bearing and fish plates, spikes (com- monly known as dog spikes), switches, and crossings, other than those described in No. 101, also lever boxes, clips, and tie-bars.	.....	"	10 "
		SHEETS AND PLATES, not fabricated, all sorts, including discs, and circles.			
		Plates, boiler, firebox and special quali- ties above $\frac{1}{8}$ inch in thickness.	ton.	80 0	10 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		R. a.	
		METALS, IRON AND STEEL—<i>contd.</i>			
		IRON OR STEEL—<i>contd.</i>			
		SHEETS AND PLATES—<i>contd.</i>			
		Sheets, $\frac{1}{8}$ inch and under in thickness annealed, which have been either cold-rolled, smoothed (including planished), pickled, or cleaned by acid or other material or process.	ton.	200 0	10 per cent.
		Sheets, corrugated, galvanised or black up to and including 26 Gauge.	"	300 0	10 .. "
		Sheets, corrugated, galvanized or black above 26 Gauge.	"	400 0	10 "
		Sheet and plate cuttings	"	140 0	10 "
		Tin plates	"	400 0	10 "
		" cuttings...	... ..	<i>Ad valorem</i>	10 "
		Sheets, other kinds, black, up to and including $\frac{1}{8}$ inch in thickness.	ton.	175 0	10 "
		Plates, ship, tank, bridge and common, above $\frac{1}{8}$ inch in thickness.	"	150 0	10 "
		Sheets, other kinds if galvanised, tinned, lead coated, or aluminium coated, up to and including 26 Gauge, also chequered and galvanised plates.	"	320 0	10 "

SCHEDULE II.—IMPORTS TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		METALS, IRON AND STEEL—<i>contd.</i>			
		IRON OR STEEL—<i>contd.</i>			
		SHEETS and PLATES—<i>concl'd.</i>			
		Sheets, other kinds, if galvanised, tinned, lead coated or aluminium coated above 26 Gauge including tin taggers.	ton.	435 0	10 per cent.
		Other sorts	.....	<i>Ad valorem</i>	10
		SHEETS and PLATES, fabricated, all sorts, including discs and circles.	....	"	10
		WIRE, including fencing wire, piano-wire, and wire-ropes, but excluding wire-netting which is dutiable under No. 93.	.....	"	10
92	62	STEEL—			
		ANGLE—			
		Angle and T, not fabricated, if galvanised, tinned or lead coated.	ton.	200 0	10
		All other sorts	"	150 0	10
		Angle and T, fabricated.	.....	<i>Ad valorem</i>	10
		BAR, ROD AND CHANNEL including channel for carriages—			
		Bar, Swedish and similar qualities.	ton.	220 0	10
		Bar, common merchant nail-rod, round-rod, and square, $\frac{1}{2}$ inch in diameter or thickness, and under.	"	150 0	10

SCHEDULE II.--IMPORT TARIFF--*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		METALS, IRON AND STEEL—<i>contd.</i>			
		STEEL—<i>contd.</i>			
		Bar, common, merchant, other sizes and sections.	ton.	135 0	10 per cent.
		Bar, galvanised, tinned, planished, polished, or lead coated.	"	180 0	10 "
		Bar, crucible, cast steel (tool steel) including— (a) High speed. (b) Carbon steel.	.....	<i>Ad valorem</i>	10 "
		Bar, high tensile steel.	.....	"	10 "
		Channel, including channel for carriages.	ton	170 0	10 "
		All other sorts, including faggot steel.	.....	<i>Ad valorem</i>	10 "
		CAST, including spring blistered and tub steel.	.....	"	10 "
		INGOTS, BLOOMS, BILLETS AND SLABS.	.....	"	10 "
93	97	All sorts of IRON AND STEEL and manufactures thereof, not otherwise specified—			
		Iron or steel cans or drums, when imported containing kerosene and motor spirit, which is separately assessed to duty under No. 34, namely:—			
		Cans, tinned, of four gallons capacity.	can.	0 5	15 "
		Cans, or drums, not tinned, of two gallons capacity—			
		(a) with faucet caps	can or drum	1 8	15 "
		(b) ordinary ...	"	0 6	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		METALS, IRON AND STEEL—<i>concl'd.</i>			
		STEEL—<i>concl'd.</i>			
		Drums of four gallons capacity—			
		(a) with faucet caps.	drum.	2 3	15 per cent.
		(b) ordinary ..	"	1 8	15 "
		Iron or steel cans or drums, other sorts.	.....	<i>Ad valorem</i>	15 "
		Iron or steel, all other sorts, including wire-netting.	.....	"	15 "
		METALS, OTHER THAN IRON AND STEEL.			
94	19	CURRENT NICKEL, BRONZE, AND COPPER COIN of the Government of India.	.....	.....	Free.
95	20	GOLD AND SILVER BULLION and coin.	.....	.....	"
96	132	GOLD PLATE, GOLD THREAD and WIRE, and GOLD MANUFACTURED, all sorts.	.....	<i>Ad valorem</i>	30 per cent.
97	133	SILVER PLATE, SILVER THREAD and WIRE, and SILVER MANUFACTURES, all sorts.	.....	"	30 "
98	98	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, and manufactures thereof, not otherwise specified—			
		Aluminium circles ...	lb.	0 15	15 "
		" sheets ...	"	0 14	15 "
		Brass, patent or yellow metal, sheets and sheathing, weighing 1 lb. or above per square foot, and braziers, and plates.	cwt.	60 0	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		METALS, OTHER THAN IRON AND STEEL—<i>contd.</i>			
		Brass, patent or yellow metal (including gun metal) ingots.	cwt.	35 0	15 per cent.
		Brass, patent or yellow metal, old.	"	30 0	15 "
		Brass, sheets, flat or in rolls, and sheathing weighing less than 1 lb. per square foot.	.....	<i>Ad valorem</i>	15 "
		Brass wire ... ..	.....	"	15 "
		Brass, all other sorts ..	.....	"	15 "
		Copper bolt and bar, rolled	.....	"	15 "
		Copper braziers, sheets, plate and sheathing.	cwt.	65 0	15 "
		Copper sheets, planished	.....	<i>Ad valorem</i>	15 "
		Copper nails and composition nails.	... ..	"	15 "
		Copper, old	cwt.	36 0	15 "
		Copper pigs, tiles, ingots, cakes, bricks and slabs.	"	55 0	15 "
		Copper China, white, copperware.	lb.	3 0	15 "
		Copper foil or danka-pana, plain, white, 10 to 11 in. X 4 to 5 in.	hundred leaves.	2 4	15 "
		Copper foil or danka-pana, plain, coloured, 10 to 11 in. X 4 to 5 in.	"	2 12	15 "
		Copper wire including phosphor-bronze.	.....	<i>Ad valorem</i>	15 "
		Copper, all other sorts, unmanufactured and manufactured, except current coin of the Government of India, which is free.	.....	"	15 "
		German silver ... ..	.....	"	15 "
		Lead, pig	cwt.	20 0	15 "
		Lead, all sorts (except pig).	.....	<i>Ad valorem</i>	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs a.	
		METALS, OTHER THAN IRON AND STEEL.—<i>concl'd.</i>			
		Quicksilver	lb.	2 4	15 per cent.
		Tin block	cwt.	150 0	15 "
		Tin foil, and othersorts.	.....	<i>Ad valorem</i>	15 "
		Zinc or spelter, tiles, slabs or plates, hard or soft.	cwt.	25 0	15 "
		Zinc or spelter, all other sorts, including boiler tiles and sheets	... ..	<i>Ad valorem</i>	15 "
		All other sorts of metals, and manufactures thereof.	.....	"	15 "
		PAPER, PASTE-BOARD AND STATIONERY.			
99	99	PAPER AND ARTICLES MADE OF PAPER AND PAPIER MACHE, PASTE-BOARD, MILLBOARD, AND CARDBOARD, all sorts, and STATIONERY, including ruled or printed forms and account and manuscript books, drawing and copybooks, labels, advertising circulars, sheet or card almanacs and calendars. Christmas, Easter and other cards, including cards in booklet form; including also waste-paper and old newspapers for packing except old newspapers in bales, and bags, but excluding trade catalogues and advertising circulars imported by packet, book, or parcel post (<i>see</i> No. 100) and also excluding the descriptions given below :—	...	<i>Ad valorem</i>	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a. p.	
		PAPER, PASTEBOARD AND STATIONERY—<i>contd.</i>			
		Old newspapers in bales and bags.	cwt.	8 0 0	15 per cent.
		News printing paper, glazed and unglazed—			
		White or grey ...	lb.	0 2 3	15 "
		Coloured ...	"	0 2 6	15 "
		Printing paper, white or coloured—			
		Real Art ...	"	0 6 6	15 "
		Imitation Art, machine finish super calendered, ivory finish, antique, stereo, litho, poster, cartridge, (other than drawing or photographic cartridge), and cover paper	"	0 4 3	15 "
		Other sorts ...	.....	<i>Ad valorem</i>	15 "
		Packing and wrapping paper—			
		Nature brown, and machine-glazed pressings and machine-glazed wrappings.	lb.	0 2 3	15 "
		Mauilla, machine-glazed, or unglazed and sulphite envelope.	"	0 2 9	15 "
		Kraft and imitation kraft.	"	0 3 3	15 "
		Other sorts including tissues.	.....	<i>Ad valorem</i>	15 "
		Writing paper—			
		Bond or bank, glazed and unglazed.	lb.	0 6 6	15 "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a. p.	
		PAPER, PASTEBOARD AND STATIONERY— <i>concl'd.</i>			
		Creamlaid, other than mechanical.	Lb.	0 4 6	15 per cent.
		Mechanical cream-laid.	"	0 4 0	15 "
		Other sorts ...	.....	<i>Ad valorem.</i>	15 "
100	21	Straw boards ...	cwt.	8 8 0	15 "
		TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book, or parcel post.	...	.....	Free.
101	63	RAILWAY PLANT AND ROLLING STOCK.			
		RAILWAY MATERIALS for permanent-way and rolling stock, namely, cylinders, girders, and other material for bridges, rails, sleepers, bearing and fish-plates, fish-bolts, chairs, spikes, crossings, sleeper fastenings, switches, interlocking apparatus, brake gear, couplings, and springs, signals, turn-tables, weighbridges, carriages, wagons, traversers, trolleys, trucks, and component parts thereof; also the following articles when imported by or under the orders of a railway company, namely, cranes, water cranes, water tanks and standards, wire and other materials for fencing.	... ..	<i>Ad valorem</i>	10 "
		Provided that for the purpose of this entry "railway" means a line			

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i> RAILWAY PLANT AND ROLLING STOCK—<i>contd.</i> of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a State in India and also such tramways as the Governor-General in Council may, by notification in the <i>Gazette of India</i>, specifically include therein. Provided also that nothing shall be deemed to be dutiable hereunder which is dutiable under No. 87 or No. 88.		Rs. a.	
102	63A	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in No. 101, namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose; Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	.....	<i>Ad valorem.</i>	10 per cent.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		YARNS AND TEXTILE FABRICS.			
103	43	COTTON PIECE-GOODS ...	.....	<i>Ad valorem</i>	11 per cent.
104	44	COTTON TWIST AND YARN AND COTTON SEWING OR DARNING THREAD.	... ..	"	5 "
105	22	SECOND-HAND OR USED GUNNY BAGS made of jute.	.....	.....	Free, ,
106	100	YARNS AND TEXTILE FABRICS, that is to say :—			
		Cotton thread other than sewing or darning thread, and all other manufactured cotton goods not otherwise specified.	.....	<i>Ad valorem</i>	15 per cent.
		Flax, twist and yarn, and manufactures of flax.	.....	"	15 "
		Haberdashery and millinery, excluding articles made of silk.	.....	"	15 "
		Hemp, manufactures ...	.....	"	15 "
		Hosiery, excluding articles made of silk.	.....	"	15 "
		Jute, twist and yarn, and jute manufactures, excluding second-hand or used gunny bags (<i>see</i> No. 145).*	.....	"	15 "
		Silk yarn, noils and warps, and silk thread.	.....	"	15 "
		Woollen yarn, knitting wool, and other manufactures of wool, including felt.	.....	"	15 "
		All other sorts of yarns and textile fabrics, not otherwise specified.	.....	"	15 "

* Under Government of India Notification No. 281, dated the 26th May 1923; used gunny cloth made of jute is exempt from payment of import duty.

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		YARNS AND TEXTILE FABRICS—<i>contd.</i>			
107	184	SILK PIECE-GOODS, and other manufactures of silk— Silk piece-goods (white or coloured, plain or figured and all widths) from Japan and China (including Hongkong)— <i>Japan—</i> Paj, Thama, Junken and Nankin, all kinds, including striped, printed, embossed and pine-apples. Satins and Kohaku, all kinds including striped, printed, woven and embossed. Twill, all kinds ... Jarina (gold embroidered) Fugi and Boseki, all kinds. Fancies, printed and woven, including Georgettes, Kobe-crepes, crepe-de-chine (Chirmin), ninons and gauzes. Embroideries, excluding Burmese scarves. Shawls, dhuties, scarves excluding Burmese, mufflers, handkerchiefs and hosiery. Dupettas and China Silk patkas.	lb. " " " " " " " " "	28 0 33 0 23 0 37 0 21 0 42 0 52 0 48 0 28 0	30 per cent. " " " " " " " "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		YARNS AND TEXTILE FABRICS—<i>contd.</i>			
		<i>Japan—contd.</i>			
		Burmese scarves—			
		(a) Paj	lb.	40 0	30 per cent.
		(b) Other kinds ...	"	56 0	80 "
		Cotton and silk mixed satins, embroidered.	"	16 0	30 "
		Cotton and silk mixed satins, other kinds.	"	8 0	30 "
		Cotton and silk mixed hosiery.	"	28 0	30 "
		Cotton and silk mixed Fugi and Boseki, all kinds.	"	12 0	30 "
		Silk Fents	"	14 0	30 "
		<i>China (including Hongkong but excluding Cantons)—</i>			
		Honans, all kinds and patkas	"	9 0	30 "
		Shantungs, all kinds and patkas.	"	5 8	30 "
		Corded, all kinds except Woocchow.	"	7 0	30 "
		White cord (Woocchow), all kinds.	"	15 0	30 "
		Crepe, gauze, and paj, all kinds.	"	25 0	30 "
		Satins and fancies, all kinds.	"	31 0	30 "
		Cantons, all kinds ...	.....	<i>Ad valorem.</i>	30 "
		Silk piece-goods, apparel and other manufactures of silk not otherwise specified.	.....	"	30 "
		MISCELLANEOUS.			
108	53	AEROPLANES, aeroplane parts, aeroplane engines and aeroplane engine parts.	.....	"	2½ "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>		Rs. a.	
		MISCELLANEOUS			
		<i>—contd.</i>			
109	23	ART, the following works of :—(1) statuary and pictures intended to be put up for the public benefit in a public place and (2) memorials of a public character intended to be put up in a public place, including the materials used or to be used in their construction, whether worked or not.	.....	.....	Free.
110	101	ART, works of, excluding those specified in No. 109.	.....	<i>Ad valorem</i>	15 per cent.
111	120	Bangles—			
		Celluloid, plain, flat, without border.	dozen pairs.	2 4	15 „
		Celluloid, (rubber) rings.	„	0 8	15 „
		„ other sorts...	„	<i>Ad valorem.</i>	15 „
112	24	BOOKS, printed, including covers for printed books, maps, charts and plans, proofs, music and manuscripts.	.....	.....	Free.
113	102	BRUSHES AND BROOMS ..	.....	<i>Ad valorem</i>	15 per cent.
114	103	BUILDING AND ENGINEERING MATERIALS, including asphalt, bricks, cement other than Portland cement, chalk and lime, clay, other than China clay (<i>see</i> No. 116), pipes of earthenware, tiles, fire-bricks not being component parts of any article included in No. 87 or No. 101, and all other sorts of building and engineering materials not otherwise specified including bitumen & other insulating materials.	.....	„	15 „
		Portland cement ...	cwt.	3 0	15 „

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
III.—Articles wholly or mainly manufactured—<i>contd.</i>					
MISCELLANEOUS—<i>contd.</i>				Rs. a.	
115	104	CANDLES ... ..	.....	<i>Ad valorem.</i>	15 per cent.
116	123	China clay	ton	85 0	15 "
117	105	CINEMATOGRAH FILMS—			
		Exposed standard positive films, new or used.	foot	0 4	15 "
		Other Films ... ..	.....	<i>Ad valorem.</i>	15 "
118	106	CORDAGE AND ROPE AND TWINE OF VEGETABLE FIBRE.	.....	"	15 "
119	135	FIREWORKS * ... ..	.....	"	30 "
120	107	FURNITURE, TACKLE, AND APPAREL, not otherwise described, for steam, sailing, rowing, and other vessels.	.....	"	15 "
121	136	IVORY, manufactured ...	.....	"	30 "
122	137	JEWELLERY AND JEWELS.	.....	"	30 "
123	46	MATCHES :—			Rs. a.
		(1) In boxes containing on the average not more than 100 matches.	gross of boxes.	.....	1 8
		(3) In boxes containing on the average more than 100 matches.	for every 25 matches or fraction thereof in each box, per gross of boxes.	.....	0 6
124	108	MATS AND MATTING ...	.....	<i>Ad valorem</i>	15 per cent.
125	109	OIL-CAKES... ..	.....	"	15 "
126	110	OIL-CLOTH AND FLOOR-CLOTH.	.....	"	15 "
127	111	PACKING—ENGINE AND BOILER—all sorts, excluding packing forming a component part of any article included in Nos. 87, 88 and 101.	.....	"	15 "

* Under the Government of India Notification No. 4467, dated 2nd September 1922, such fireworks as are specially prepared as danger or distress lights for the use of ships are liable to duty at 15 per cent. *ad valorem*.

SCHEDULE II.—IMPORT TARIFF.—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured.—<i>contd.</i>		Rs. a.	
		MISCELLANEOUS—<i>contd.</i>			
128	112	PERFUMERY, not otherwise specified—			
		Gowla, husked and unhusked.	cwt.	50 0	15 per cent.
		Kapirkachri (zedoary).	"	25 0	15 "
		Patch leaves (patchouli).	"	30 0	15 "
		Rose-flowers, dried ...	"	16 0	15 "
		Rose-water... ..	Imperial gallon.	5 0	15 "
		All other sorts ... ..	... ..	<i>Ad valorem.</i>	15 "
129	113	PITCH, TAR AND DAMMER—			
		Coal pitch	cwt.	7 0	15 "
		Coal tar ... ..	.....	<i>Ad valorem.</i>	15 "
		Stockholm tar	cwt.	20 0	15 "
		Dammer Batu	"	8 0	15 "
		Other sorts ... ..	.....	<i>Ad valorem</i>	15 "
130	139	PNEUMATIC RUBBER TYRES AND TUBES for motor cars, motor lorries, motor cycles, and motor scooters.	.....	"	30 "
131	114	POLISHES AND COMPOSITIONS.	.....	"	15 "
132	54	PRINTING AND LITHOGRAPHING MATERIAL, namely, presses, type, ink, aluminium lithographic plates, brass rules, composing sticks, chases, imposing tables, and lithographic stones, stereo blocks, wood blocks, half-tone blocks, electrotpe blocks, roller moulds, roller frames and stocks, roller composition, standing screw and hot presses, perforating machines, gold blocking presses, gally presses, proof presses; arming presses, copper plate	.....	"	2½ "

SCHEDULE II.—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>contd.</i>			
		MISCELLANEOUS—<i>contd.</i>			
		printing presses, rolling presses, ruling machines, ruling pen making machines, lead and rule cutters, type casting machines, type setting and casting machines, rule bending machines, rule mitreing machines, bronzing machines, leads, wooden and metal quoins; shooting sticks and galleys, stereotyping apparatus, metal furniture, paper folding machines, and paging machines, but excluding paper (<i>see</i> No. 99).			
133	138	PRINTS, ENGRAVINGS AND PICTURES, including photographs and picture post cards.	.....	<i>Ad valorem</i>	30 per cent.
134	55	RACKS for the withering of tea leaf.	.....	"	3½ "
135	115	RUBBER tyres and other manufactures of rubber, not otherwise specified (<i>see</i> No. 130).	....	"	15 "
136	64	SHIPS AND OTHER VESSELS for inland and harbour navigation, including steamers, launches, boats and barges, imported entire or in sections : Provided that articles of machinery as defined in No. 87 or No. 88 shall, when separately imported, not be deemed to be included hereunder.	.....	"	10 "

SCHEDULE II.—IMPORT TARIFF.—*concl'd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per.	Tariff Valuation.	Duty.
		III.—Articles wholly or mainly manufactured—<i>concl'd</i>		Rs. a.	
		MISCELLANEOUS—<i>concl'd.</i>			
137	140	SMOKERS' REQUISITES, excluding tobacco (Nos. 26 to 28) and matches (No. 123).	.....	<i>Ad valorem.</i>	30 per cent.
138	116	SOAP ... ..	.....	"	15 "
139	117	STARCH AND FARINA ...	.....	"	15 "
140	118	STONE AND MARBLE, and articles made of stone and marble.	.....	"	15 "
141	119	TOILET REQUISITES, not otherwise specified.	.....	"	15 "
142	141	TOYS, games, playing cards and requisites for games and sports, excluding bird-shot	.....	"	80 "
		Bird-shot	cwt.	35 0	80 "
143	120	ALL OTHER ARTICLES wholly or mainly manufactured, not otherwise specified.	.....	<i>Ad valorem.</i>	15 "
		IV.—Miscellaneous and unclassified.			
144	25	ANIMALS, living, all sorts.	.....	.....	Free.
145	121	CORAL ... ..	.....	<i>Ad valorem.</i>	15 per cent.
146	57	FODDER, BRAN AND FOLLARDS.	.....	"	2½ "
147	26	SPECIMENS illustrative of natural science, and medals and antique coins.	.....	.....	Free.
148	122	UMBRELLAS, including parasols and sunshades, and fittings therefor.	.....	<i>Ad valorem.</i>	15 per cent.
149	123	ALL OTHER ARTICLES NOT OTHERWISE SPECIFIED, including articles imported by post.	.....	"	15 "

SCHEDULE III.—EXPORT TARIFF.

Serial No.	Names of Articles.	Per.	Tariff Valuation.	Rate of duty.
	JUTE OTHER THAN BIMLIPATAM JUTE.		Rs. a. p.	Rs. a. p.
1	RAW JUTE—			
	(1) Cuttings	Bale of 400 lbs.	.....	1 4 0
	(2) All other descriptions.	„	.....	4 8 0
2	JUTE, MANUFACTURES when not in actual use as coverings, receptacles or bindings for other goods—			
	(1) Sacking (cloth, bags, twist, yarn, rope and twine).	Ton of 2,240 lbs.	.....	20 0 0
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.*	„	... ..	32 0 0
	RICE.			
3	RICE, husked or unhusked, including rice flour, but excluding rice bran and rice dust, which are free.	Indian maund of 82½ lbs. avoirdupois weight.	.....	0 3 0
	TEA.			
4	TEA	100 lbs.	.....	1 8 0
5	RAW HIDES AND SKINS IF EXPORTED FROM BURMA.			
	(1) ARSENICATED AND AIR-DRIED HIDES—			
	(a) Cows (including calf skins).	lb.	0 5 0	5 per cent.
	(b) Buffaloes (including calf skins).	„	0 3 0	5 „
	(2) DRY SALTED HIDES—			
	(a) Cows (including calf skins).	„	0 4 0	5 „
	(b) Buffaloes (including calf skins).	„	0 2 0	5 „

* Under Government of India Notification No. 1428, dated 17th November 1923, Jute, Rags such as are used for paper making are exempt from payment of export duty provided that the Customs Collector is satisfied that they are useless for any purpose to which cloth or rope is ordinarily put.

SCHEDULE III.—EXPORT TARIFF—*concl'd.*

Serial No.	Names of Articles,	Per	Tariff Valuation,	Rate of duty.
	RAW HIDES AND SKINS IF EXPORTED FROM BURMA— <i>cont'd.</i>		Rs. a. p.	
	(3) WET SALTED HIDES—			
	(a) Cows (including calf skins).	lb	0 3 0	5 per cent.
	(b) Buffaloes (including calf skins).	"	0 1 6	5 "
	(4) GOAT AND KID SKINS.	Piece	1 6 0	5 "
	(5) SHEEP SKINS ...	"	0 10 0	5 "
6	RAW HIDES AND SKINS IF EXPORTED FROM ANY PLACE IN BRITISH INDIA OTHER THAN BURMA.			
	(1) ARSENICATED AND AIR-DRIED HIDES—			
	(a) Cows (including calf skins)—			
	Framed ...	lb.	0 9 0	5 "
	Unframed ...	"	0 5 0	5 "
	(b) Buffaloes (including calf skins)—			
	Framed ...	"	0 5 0	5 "
	Unframed ...	"	0 3 0	5 "
	(2) DRY SALTED HIDES—			
	(a) Cows (including calf skins).	"	0 4 0	5 "
	(b) Buffaloes (including calf skins).	"	0 2 6	5 "
	(3) WET SALTED HIDES—			
	(a) Cows (including calf skins).	"	0 3 0	5 "
	(b) Buffaloes (including calf skins).	"	0 2 0	5 "
	(4) GOAT AND KID SKINS.	Piece	1 8 0	5 "
	(5) SHEEP SKINS ...	"	0 10 0	5 "

APPENDIX K-3.

LIST OF COTTON PIECE-GOODS.

No. 11642 C.-I.-C. of the 15th October 1923.

**From the Director-General of Commercial Intelligence,
Calcutta, to the Chamber.**

I write to invite a reference to the Resolution of the Government of India in the Commerce Department, No. 5474, dated the 19th October 1922, and to enquire whether you have any modifications to suggest in the list of cotton piece-goods appended to that Resolution.

If you have any additions to the list to propose, I should be obliged if samples and full particulars of the goods concerned could be forwarded with your reply.

It would be convenient if your proposals could reach me not later than the 3rd of November next.

No. 2330/266 of the 3rd November 1923.

**From the Chamber to the Director-General of Commercial
Intelligence, Calcutta.**

I am directed to acknowledge the receipt of your letter No. 11642 C.-I.-C., dated the 15th October 1923, and its accompaniments on the subject of the revision of the list of imported cotton piece-goods and in reply to state that my Committee have no modifications to suggest in the list in question.

APPENDIX K-4.

IMPORT DUTY ON COTTON MANUFACTURES CONTAINING AN ADMIXTURE OF SILK.

No. 11-C-18 of the 26th January 1923.

From the Karachi Chamber to the Chamber.

In August last this Chamber addressed the Bengal, Bombay, Madras and Burma Chambers to ascertain the rate of duty at which artificial silk piece-goods were assessed in Calcutta, Bombay, Madras and Rangoon. From the replies received it was evident that in each of these ports such goods were classed under item 99 of the Import Tariff Valuation Schedule as "All other sorts of Textile Fabrics" and accordingly assessed at 15 per cent *ad valorem*. The same applies to Karachi.

In the opinion of my Committee, however, such goods should in no case be charged duty at 15 per cent. but at 11 per cent. only, as goods wholly manufactured from cotton, and I am directed to enquire whether your Committee would be prepared to support some form of combined action on these lines, with a view to obtaining from the Government of India a reduction to 11 per cent. when the Import Tariff Schedule is next revised.

Artificial silk is used as a rule in fabrics imported here, only for decorative purposes, and the material known under this name is manufactured of wood-pulp, or of prepared cotton, and not of natural silk or silk thread. Goods containing this so-called artificial silk, moreover, are in reality no more expensive than the better classes of cotton printed and fancy goods. There would appear, therefore, to be no reason why goods containing it should be assessed at a higher rate than other cotton goods, *viz.* 11 per cent.

No. 403/49 of the 16th February 1923.

From the Chamber to the Karachi Chamber.

I am directed to acknowledge the receipt of your letter No. 11-C-18, dated the 26th January 1923, in which you

enquire whether my Committee, in view of the circumstances set forth in your letter, would be prepared to support some form of combined action with the purpose of obtaining from the Government of India a reduction of the Import Duty on artificial silk piece-goods from 15 per cent. to 11 per cent.

2. In reply I am to state that your suggestion has received the very careful consideration of my Committee in conjunction with the Import Sub-Committee of the Chamber, and that they are of the opinion that the present system whereby cotton manufactures containing an admixture of artificial silk are assessed at the higher rate of duty except when in the opinion of the Chief Appraiser the quantity of the artificial silk is trifling and inserted merely as embroidery or for similar decorative effect has operated equitably in practice. Moreover, when the Chamber was asked by the Director General of Commercial Intelligence in August 1922 to suggest such modifications of the list of imported piece-goods liable to duty at 11 per cent. as it might consider desirable, the Committee, after careful consideration of the specific instance cited in your letter, decided that no amendment of the list in the manner indicated was required.

3. I am, however, to add that my Committee will be pleased to re-open the question when, as it may be presumed, the list is submitted to them again for revision, probably in July or August of the present year.

No. 369/49 of the 14th February 1923.

From the Chamber to the Associated Chambers of Commerce of India and Ceylon, Bombay.

Import Duty on Fabrics containing an admixture of another fabric assessable at a higher rate of duty.

I am directed to address you on the above subject and to draw your attention to Standing Order No. 3079 issued by the Collector of Customs, Bombay..

"No. 3079. Cotton manufactures containing an admixture of silk, artificial silk, wool or any other textile fabric shall be assessed under Section 21 of the Sea Customs Act at the higher rate of duty applicable to articles wholly composed of such fabric except when the quantity of the fabric dutiable at the higher rate is trifling and is inserted merely as embroidery or for similar decorative effect.

Doubtful cases should always be submitted for Assistant Collector, Appraising Department's decision. This order supercedes all previous Departmental Orders on the subject."

My Committee understand that similar orders have been issued at most, if not all, the chief ports of India and in many cases they consider that this order operates harshly and is highly prejudicial to the trade in certain articles; for example, my Committee have in mind the following two instances where the duty levied appears to be excessive.

2. (a) Import Duty of 30 per cent. *ad valorem* was levied upon two consignments of woollen cloth containing a small quantity of silk woven into the pattern. The prices of the consignments were—

		s.	d.	
(1)	Width 32 inches	.. 1	9	} Free Bombay Harbour.
(2)	Width 27 inches	.. 2	2	

The duty of similar woollen cloth that contains no admixture is only 15 per cent.

(b) A consignment of cotton scarves containing silver thread in the embroidery was assessed for duty at 30 per cent *ad valorem* which is the duty for silver thread. Similar scarves without any such admixture are assessed at 11 per cent. *ad valorem*.

According to the manufacturers' statement the amount of silver blown on the thread is so small as to be hardly calculable.

3. One argument that my Committee have heard raised in support of this practice of assessing articles containing admixture of higher valued fabrics at the higher rate of duty is that such goods are luxuries and thus are bought mainly by persons who can afford to pay the enhanced price.

But in the former of the above-mentioned instances the price of the article clearly shows that it cannot be classed as a luxury, while, in the latter instance, although silver thread may rightly be termed a luxury, the amount of silver used is infinitesimal and the fabric in question is extensively purchased by the poorer classes of this country.

4. The assessment of such articles is clearly a matter upon which there should be uniformity throughout the ports of India and I am accordingly to request that the President may cause enquiries to be made from all members of the Associated Chambers as to whether their imports are subject to the provision of a Standing Order similar to the one above quoted and if so what interpretation is usually placed upon them by the respective Customs Authorities and generally to invite their views upon the question.

No. 268/A. C. of the 19th February 1923.

**From the Associated Chambers of Commerce of India
and Ceylon, Bombay, to all Members of the
Association.**

*Import Duty on Fabrics containing an admixture of another
material assessable at a higher rate of duty.*

I am directed by the President to send to you the attached copy of the marginally noted letter from the Bombay Chamber of Commerce and to ask you to be so good as to comply with the request contained in the fourth paragraph thereof.

Letter No. 369/49,
dated the 14th February
1923, from the Bombay
Chamber of Commerce.

No. 442/49 of the 22nd February 1923.

**From the Chamber to the Collector of Customs,
Bombay.**

I am to refer you to Standing Order No. 3079, dated the 17th July 1922, in regard to cotton manufactures containing an admixture of artificial silk, etc.

2. In the above connection two members of this Chamber have submitted to us cases in which they contend that this order has operated inequitably and the evidence that they placed before my Committee to substantiate their statement has been carefully and exhaustively sifted and examined both by my Committee and by a piece-goods expert.

3. I am to say that taking all the circumstances into consideration my Committee are constrained to request you to reconsider your ruling in each of the two sub-joined instances :—

(a) Messrs. Walter N. Cresswell & Co., Ltd., have imported woollen cloth containing a small quantity of silk "woven into the design" costing 1s. 9d. per yard free Bombay Harbour. This has been assessed by the Customs at 30 per cent. *ad valorem*—the contention presumably being that as the cloth contains silk woven into it it becomes an article of luxury and hence liable to the highest rate of duty.

(b) Messrs. Kahn and Kahn imported certain cotton embroidered scarves containing a negligible amount of silver in the thread in the embroidery and assessed by the Customs at 30 per cent, presumably on the plea that it is the rate for silver plate, silver thread wire and silver manufacture of all sorts.

4. I am to state that it is the considered opinion of my Committee that in the first instance the duty should be reduced to 15 per cent. and that in the second instance to 11 per cent., with regard to example (a) my Committee understand that owing to the high duty now being charged on this class of cloth the demand has practically ceased and my Committee submit that this is a point to be taken into consideration when, as they hope, you reconsider the whole matter. In regard to example (b) my Committee are informed that an assessment at the rate of 30 per cent. was recently made on exactly similar goods in Calcutta, but upon representations being made by the consignees to the effect that the amount of silver thread contained was negligible, the assessment was reduced to 11 per cent.

5. In conclusion, I am to state that my Committee trust that you will give your very careful and early attention to this matter which they consider to be of the highest importance.

R. S. R. No. 919 of the 23rd February 1923.

From the Collector of Customs, Bombay, to the Chamber.

I have the honour to acknowledge receipt of your letter No. 442-49, dated the 22nd instant on the subject of the assessment to duty of artificial silk piece-goods and to say that the matter will receive my early attention.

R. S. R. No. 919 of the 7th March 1923.

From the Collector of Customs, Bombay, to the Chamber.

In continuation of my letter R. S. R. No. 919, dated the 23rd ultimo, on the subject of assessment of artificial silk piece-goods, I have the honour to request you to send me representative shipment samples and some particulars including the duty bill No. and date of the consignments mentioned in your letter No. 442-49 of the 22nd February 1923 in order to enable me to go into the merits of the cases.

No. 637/49 of the 8th March 1923.

From the Chamber to the Collector of Customs, Bombay.

I have the honour to acknowledge the receipt of your letter, R.S.R. No. 919, dated the 7th instant on the subject of the assessment of artificial silk piece-goods and in reply to inform you that I have requested the firms concerned to furnish me with the samples and documents you request in order that I may forward them to you so as to enable you to reconsider the merits of the cases.

No. 675/49 of the 13th March 1923.

From the Chamber to the Collector of Customs, Bombay.

In continuation of my letter No. 637-49, dated the 8th of March 1923, on the subject of the assessment of artificial silk piece-goods, I now have the honour to forward herewith the samples and documents required by you for the reconsideration of the merits of the cases in question.

R. S. R. No. 919 of the 20th March 1923.

From the Collector of Customs, Bombay, to the Chamber.

With reference to the correspondence ending with your letter No. 675-49, dated the 13th instant, on the subject of the assessment of artificial silk piece goods, I have the honour to inform you that I am in correspondence on the subject with the Collectors of Customs at other ports and on hearing from them I will communicate with you further in the matter.

No. 588/A. C. of the 10th April 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

Import Duty on Fabrics containing an admixture of another material assessable at a higher rate of duty.

With reference to my letter, dated the 19th February 1923 on the above subject I am directed to forward to you for information the accompanying copy of a letter No. 586-A.C., dated the 10th of April 1923, which has been despatched to the Government of India, Department of Commerce.

No. 586-A. C. of the 10th April, 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Government of India, Department of Commerce, Simla.

Import Duty on Fabrics containing an admixture of another material assessable at a higher rate of duty.

I have the honour to address you on the above subject and to draw your attention to Standing Order No. 3079, issued by the Collector of Customs, Bombay, which has been brought to the notice of the President by the Bombay Chamber of Commerce.

STANDING ORDER No. 3079.

Cotton manufactures containing an admixture of silk, artificial silk, wool or any other textile fabric shall be assessed under Section 21 of the Sea Customs Act at the higher rate of duty applicable to articles wholly composed of such fabric except when the quantity of the fabric dutiable at the higher rate is trifling and is inserted merely as embroidery or for similar decorative effect.

Doubtful cases should always be submitted for Assistant Collector, Appraising Department's decision. This order supersedes all previous Departmental orders on the subject.

2. The President has caused enquiries to be made from the Members of the Association as to whether similar orders are in force at the other chief ports of India. The replies show that orders on the lines of the Bombay Order No. 3079 are enforced but that there are differences in the phraseology of the orders in respect of the maximum amount of material assessable at a higher rate of duty that fabrics may contain without being assessable at the higher rate of duty.

It has also transpired that even where the phraseology is virtually identical with that of the Bombay Order the interpretations of the words "trifling" and "decorative effect" often vary.

3. I am to inform you that it is the general opinion of the members of the Associated Chambers of Commerce of India and Ceylon that it is most desirable not only that there should be one Standing Order governing the procedure in this connection at all the ports of India but that the order should be framed in such a way that the interpretations placed upon it by the various Collectors of Customs will be as uniform as possible and that importers will be able to ascertain before ordering goods of the class in question whether they will be assessable at the higher or lower rate of import duty.

4. Uniformity in this connection is necessary in order that importers at certain ports may not be prejudiced to the advantage of importers of similar goods at other ports and clearness and precision are requisite in order that importers may know at what rate their imports will be assessed.

5. There is also another aspect of the order to which I am to draw your attention. In certain cases the order has been interpreted so as to operate so harshly that further imports of the fabric so assessed have practically ceased, in particular the President's attention has been drawn to the following two instances where the duty levied appears to be very excessive.

- (a) Import duty of 30 per cent *ad valorem* was levied upon two consignments of woollen cloth containing a small quantity of silk woven into the pattern. The prices of the consignments were —

		s.	d.	
(1)	Width 32 inches ..	1	9	} Free Bombay Harbour.
(2)	Width 27 inches ..	2	2	

The duty of similar woollen cloth that contains no admixture is only 15 per cent.

- (b) A consignment of cotton scarves containing silver thread in the embroidery was assessed for duty at 30 per cent *ad valorem* which is the duty for silver thread. Similar scarves without any such admixture are assessed at 11 per cent. *ad valorem*.

According to the manufacturers' statement the amount of silver blown on the thread is so small as to be hardly calculable.

Such a method of assessment is clearly detrimental to the import trade in these articles and in the long run is equally detrimental to the revenue received from import duties, and I am to state that the opinion of the Members of this Association is that the duty on fabrics should be increased on account of an admixture only when the admixture increases the value of the fabric to a considerable extent.

6. One argument that the President has heard raised in support of the practice of assessing fabrics containing an admixture of a higher valued material at the higher rate of duty is that such goods are luxuries and thus are bought mainly by persons who can afford to pay the enhanced price.

But in the former of the above-mentioned instances the price of the article clearly shows that it cannot be classed as a luxury, while, in the latter instance, although silver thread may rightly be termed a luxury, the amount of silver used is infinitesimal and the fabrics in question is extensively purchased by the poorer classes of this country.

7. In conclusion, therefore, I am to request that this matter may receive the early and favourable consideration of the Government of India for it is the general opinion of the members of this Association that it is most desirable, both in the interests of trade and revenue, that the Standing Orders in question should be reframed on the lines above indicated at the earliest possible opportunity.

No. 1087/49 of the 1st May, 1923.

From the Chamber to the Collector of Customs, Bombay.

With reference to the correspondence resting with your letter No. R. S. R. 919, dated the 20th March, 1923, on the subject of the import duty on fabrics containing an admixture of another material assessable at a higher rate of duty I have the honour to state that my Committee would be glad to hear what decision you have taken with regard to the two consignments the import duty of which you stated to be under re-consideration.

R. S. R. No. 919 of the 5th May, 1923.

From the Collector of Customs, Bombay, to the Chamber.

Assessment of artificial silk piece-goods.

With reference to the correspondence ending with your letter No. 1087/49, dated the 1st May 1923, on the above subject, I have the honour to inform you that I have not yet heard from all the Collectors of Customs at other ports in reply to my reference to them and that I shall communicate with you further on receipt of their replies.

No. 1408/49 of the 13th June, 1923.

From the Chamber to the Collector of Customs, Bombay.

With reference to the correspondence resting with your letter R. S. R. No. 919 dated the 5th May, 1923, on the subject of the import duty on fabrics containing an admixture of another material assessable at a higher rate of duty, I have the honour to state that my Committee would be glad to hear whether you have taken any decision with regard to the two consignments the import duty of which you stated to be under your re-consideration.

R. S. R. No. 919 of the 26th June, 1923.

From the Collector of Customs, Bombay, to the Chamber.

*Assessment of cotton or woollen Piece-goods containing
an admixture of a highly taxed article.*

With reference to the correspondence on the above subject ending with your letter No. 1408-49, dated the 13th instant, I have the honour to state that after careful consideration of the question and consultation with the Collectors of Customs at other ports it has been decided to interpret the existing orders on the subject more liberally than hitherto. Standing Order No. 3079 will in future be so applied as to give a little more latitude to such goods. I may here mention that your presumption that the assessment of such mixed goods is based on the question whether or not they can be considered as articles of luxury is not correct. Such assessments are made under Section 21 of the Sea Customs Act, due consideration being given to the concession allowed by Government in Customs Circular **IXX** of 1896.

With regard to the two cases mentioned by you in your letter No. 442/49 of 22nd February 1923, I have decided to charge the lower rate of duty on goods mentioned in your example (a) and have ordered a refund of the excess duty paid by Messrs. Walter N. Cresswell and Co., but I regret I am unable to agree with your views as to the assessment of the goods mentioned in your example (b). The Collectors of Customs at other ports including Calcutta are of the same opinion, as the highly taxed article in the stuff cannot be said to be there in trifling quantity, but the embroidery containing it is so elaborate as to form a substantial portion of the fabric. The assessment of the goods at 30 per cent. was therefore correct and I regret I am unable to grant any refund in this case.

All the documents forwarded with your letter No. 675/49 of 13th March 1923, are herewith returned. I am, however, keeping the samples for reference until the general question of assessments of such mixed goods is finally settled, when they will be returned to you.

No. 706/A. C. of the 30th June 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

Import duty on fabrics containing an admixture of another material assessable at a higher rate of duty.

In continuation of my letter, No. 587-600 A. C., dated the 10th April 1923, I enclose herewith for your information a copy of a letter No. 82-Cus., dated the 25th April 1923, from the Government of India in reply to my letter No. 586-A. C. of the 10th April 1923, a copy of which accompanied my letter first mentioned.

I am also to inform you that the Collector of Customs, Bombay, in reply to a reference from the Bombay Chamber, has recently stated that after careful consideration of the question and consultation with the Collectors of Customs at other ports, it has been decided to interpret the existing orders on the subject more liberally than hitherto, and that Standing Order No. 3079 (quoted in paragraph I of my letter No. 586 A. C. to the Government of India) will in future be applied so as to give a little more latitude to such goods. He has also decided that with regard to the specific instances (a) and (b) mentioned in paragraph 5 of my letter No. 586/A. C., a refund of duty shall be allowed on (a) but not on (b).

No. 82/Cus. of the 25th April 1923.

From the Government of India (Finance Department, Customs), Simla, to the Associated Chambers of Commerce of India and Ceylon, Bombay.

Import duty on fabrics containing an admixture of another material assessable at a higher rate of duty.

I am directed to acknowledge the receipt of your letter No. 586 A. C., dated the 10th April 1923, on the above subject.

2. In reply I am to say that the Government of India are in full agreement with the Associated Chambers of Commerce as to the desirability of securing the utmost possible degree of uniformity in questions of this kind relating to Customs procedure. At present such uniformity is obtained, so far as this is possible, by the issue

of general instructions by the Government of India to Collectors of Customs, but discretion must necessarily be left to the Local authorities to deal with particular cases as they rise. The question of placing the administration of Customs as a whole under a single officer or a Board is under the consideration of the Government of India, and if the scheme materialises it will be one of the functions of that officer or the Board to secure the highest possible degree of uniformity of practice and procedure at the various Customs Houses.

3. In regard to the particular case referred to in your letter, *viz.*, fabrics containing an admixture of another material, I am to point out that under Section 21 of the Sea Customs Act, 1878, goods containing articles liable to duty at different rates are assessable at the rate of the most highly taxed article. The Government of India, however, have relaxed the provisions of this Section in the case of cotton goods ornamented with silk or wool when the articles inserted in the fabrics are inserted simply for decorative effect and are not so interwoven as to form a substantial portion of the fabric, and the same principle has been extended to fabrics containing material liable to a higher rate of duty. Where, however, the lesser-taxed material forms only a part of the fabric, as for instance, where cotton is the warp and silk or wool the weft, or where the embroidery practically covers and disguises the fabric, the goods are assessed at the higher rate. The Standing Order issued by the Collector of Customs, Bombay, to which you refer is based on these orders, and the Government of India do not consider it feasible to issue any more precise instructions on the point. An appeal against the Collector's decision in any particular case will of course lie before the proper appellate authority under Sections 188 and 191 of the Sea Customs Act.

4. In regard to paragraph 6 of your letter, I am to say that the orders in question are, as pointed out above, based upon the provisions of Section 21 of the Sea Customs Act and not upon the contention that fabrics containing an admixture of a higher valued material are luxuries and these are imported mainly by persons who can afford to pay the enhanced price.

APPENDIX K-5.

TWO FOLD YARN REELED IN DOUBLE HANKS.

AMENDMENT OF MERCHANDISE MARKS RULES.

R. S. R. No. 776 of the 10th April 1923.

From the Collector of Customs, Bombay, to the Chamber.

I have the honour to state that for some time past importations have been made of single or twofold yarn reeled in

double hanks. Under the rules now in force under the Merchandise Marks Act, *vide* Rule III on page 12 and Rule 41 on page 34 of the Merchandise Marks Manual, Edition 1921, only standard hanks of 840 yards are permitted and no provision has been made for double hanks of 1,680 yards which consequently do not conform to the ratios specified in these rules. These rules were framed many years ago to give legal effect and recognition to the accepted trade customs then in vogue but as packing of yarn in double hanks has now found favour with spinners as well as consumers and also as importations of cross-reeled have in practice been permitted since 1910, it has become necessary to revise the rules so as to provide for the new modes of packing. Revised rules were accordingly submitted for consideration and approval to the Government of India who have obtained the views of the shippers of yarn in the United Kingdom. The rules have now been further revised in the light of the suggestions made by the Manchester Chamber of Commerce, The Fine Cotton Spinners' and Doublers' Association, Limited, and Federation of Master Cotton Spinners' Associations, Limited, Manchester. I enclose copies of their letters and of the proposed amendments which are shown in red ink and shall be glad if you will be so good as to obtain and forward to me the opinion of your Chamber on the proposed amendments for the information and consideration of the Government of India.

It will be seen that provision has been made in the draft revised rules for all the suggestions made by the Manchester Chamber except the proposal that the marking of the count on each bundle of yarn should be made legally compulsory. Legislation will apparently be necessary to give effect to this suggestion, which will result in placing yarns on the same basis in respect of the marking of the count as piece-goods are in respect of the stamping of length. The latter requirement has been made compulsory by a specific section of the Sea Customs Act, *viz.*, Section 18 and similar legislative provision will have to be made if the marking of the count is to be made compulsory. I shall be glad to know whether in the opinion of your Chamber, such legislation is imperatively necessary in the interest of the trade in yarns.

Dated the 5th September 1922.

**From the Fine Cotton Spinners' and Doublers' Association,
Limited, Manchester, to the Board of Trade (Com-
mercial Relations and Treaties Department),
London.**

With further reference to your letter of the 30th ultimo, regarding certain proposed amendments of the Indian Merchandise Marks Manual we understand that the Manchester Chamber of Commerce have this matter under consideration, and will be communicating with you thereon very soon. They will no doubt have some suggestions to make, and you can take it that we will fall into line with whatever they put forward.

We thank you for having brought the matter to our notice.

Dated the 6th September 1922.

**From the Chamber of Commerce, Manchester, to the Board
of Trade (Commercial Relations and Treaties
Department), London.**

I am desired to revert to your letter of 7th July, in which you ask for this Chamber's observations with regard to certain proposed amendments to the Indian Merchandise Marks Manual. I am to say that the Committees concerned, viz., The Trade and Merchandise Marks (Statutory) Committee and the Yarn Section have given this matter careful consideration, and the following are the decisions which have been reached :—

Rule 3 and Paragraph 41.

The following resolution was unanimously adopted with regard to the suggested alteration under these headings :—

“We agree to the additions to the Indian Merchandise Marks Act as proposed in a letter from the Board of Trade, dated 7th July, so long as the standard 840 yards hank is observed, and every bundle is marked or ticketed to indicate the correct count.”

With regard to marking “Double Hank” on the bundle in order to avoid any possible deception, I am to say that my Committees consider that the words “Double Hank” should be substituted by a double cross (XX). This method of signifying a “Double Hank” by “XX” is a well known custom of the trade, and is recognised by all consumers. It is trusted, therefore, that this method of marking will be permitted.

Rule 3 F.

With regard to bleached yarn, I am to say that the Chamber is unable at the moment to submit any observations with regard to the suggested amendments. A sub-Committee has been formed to go carefully into this question, and we will endeavour to let you have its observations with as little delay as possible.

**From the Chamber of Commerce, Manchester, to the Board
of Trade (Commercial relations and Treaties
Department) London.**

I am desired to revert to your letter of 7th July, and subsequent correspondence relative to the proposed amendments of the Indian Merchandise Marks Manual, and to inform you that a Special Committee of the Yarn Section of the Chamber, has now given careful consideration to the suggested revision of Rule 3 (J), concerning bleached yarns. Particular attention has been given to the scale of percentages which come into operation when the described or invoice weight of bleached yarn exceeds the actual weight, and I am to say that the Committee are strongly of opinion that the allowances in this respect should be revised.

It is desirable to bear in mind that yarns in this country are sold on the basis of the grey, (or unbleached) length and weight, and therefore, shrinkage in the length of bleached yarns should be permissible as long as the average hank is not less than 819 yards. This would bring bleached yarn under the same allowance provided for in connection with dyed yarn under Rule 4.

Furthermore, in considering the percentages in the scale already referred to, it is necessary to make allowances for the natural moisture in cotton, which is always reckoned at $8\frac{1}{2}$ per cent.

The following is the scale which the Committee suggest should be substituted for that already in the Manual :—

- 10 per cent. in counts up to 24.
- $8\frac{1}{2}$ per cent. in counts from 25-40 American Cotton Yarn.
- $7\frac{1}{2}$ per cent in counts from 41-60 American Cotton Yarn.
- $7\frac{1}{2}$ per cent. in counts from 41 and upwards, Egyptian.

For Double (2 fold) Yarns the above percentages be 1 per cent less as a general rule.

Whilst in actual practice there will be some variation in the above percentages, chiefly owing to the different qualities of the yarn, it is felt that if this scale is adopted it will prove of very great benefit to the traders concerned.

As an illustration of the difficulties which merchants experience in endeavoring to conform to the present scale, I am to say that recently a large shipment of yarn was rejected in India, owing to the weight averaging 9 lbs. 3 ozs. instead of 9 lbs. 8 ozs. permissible under the Indian Merchandise Marks Act, although the yarn in the grey was correct weight and length, and the resulting reduction in weight was more or less equalised by a gain in counts. This consignment would have been accepted in this country, but was only taken up by the customer in India on payment of a considerable allowance by the Manchester supplier who had no means of redress.

It is to safeguard against such contingencies, which the present conditions of trade render it almost impossible to avoid that I am desired to submit to you a revised scale together with the recommendation that it should be included in any revisions which may be made in the near future in the Indian Merchandise Marks Manual.

Dated the 25th November, 1923.

**From the Federation of Master Cotton Spinners' Associations Limited, Manchester to the Board of Trade
(Commercial relations and Treaties Department)
London.**

Your letter of the 7th July last with enclosure and subsequent correspondence was placed before my Committee on the 22nd instant when the following resolution was adopted:—

“We agree to the additions to the Indian Merchandise Marks Act as suggested in the letter from the Board of Trade, dated 7th July, 1922, so long as the standard 840 yards hank is observed, and every bundle is marked or ticketed to indicate the correct count. With regard to marking “double hank” on bundles my Committee consider that the words “double hank” should be substituted by a double cross “(XX)”.

Draft amendment (shown in *italics*) of Rule III on page 12 of the Merchandise Marks, Manual, 1921, Edition.

III.—A trade description of count or number, length or weight applied to grey, or bleached cotton yarn, shall not be deemed to be false in a material respect, unless:—

- (a) the described count or number is greater or less than the actual count or number by more than 5 per cent, provided that the average count of the whole of the yarn in question is not greater or less than the described count or

- (b) (i) in a bundle of grey yarn, the average length of the whole number of single hanks is less than 840 yards and of double hanks is less than 1,680 yards and
 (ii) in a bundle of bleached yarn, the average length of single hanks is less than 819 yards and of double hanks is less than 1,638 yards ; or
- (c) in a bundle of yarn of any count under 50, described as being ten pounds in weight, the number of knots of twenty hanks each is not half, or the number of knots of ten hanks each is not the same as, and the number of knots of five hanks is not double the described count or number of the yarn ; or
- (d) in a bundle of yarn of any count under 50, described as being five pounds in weight the number of knots of 20 hanks each is not a quarter of, or the number of knots of 10 hanks each is not half, or the number of knots of 5 hanks each is not the same as, the described count or number of the yarn ; or
- (e) in a bundle of yarn of any count from 50 upwards, the number of knots of 20 hanks each is not half, or the number of knots of 40 hanks each is not a quarter when the described weight is ten pounds, and is not a quarter of an eight, when the described weight is five pounds, of the count or number of the yarn ; or
- (f) in the case of bleached yarn, the described weight exceeds the actual weight by more than—
- 10 per cent. in counts upto 24 ;
- 8½ per cent. in counts from 25 to 40 ;
- 7½ per cent. in counts from 41 to 60 and upwards,

the allowance being 1 per cent. less than that specified in each of the above cases if the bleached yarn in the bundle is two-fold.

Provided that for the purposes of applying clauses (c), (d) and (e) to importations of single yarn in double hanks and of two-fold yarn in single and double hanks, one single hank of two-fold yarn and one double hank of single and of two-fold yarn shall be taken respectively as two, two and four hanks of single yarn, but the described count or number shall contain a definite indication that the yarn in the bundle is two-fold or in double hanks or both as the case may be.

Substitute the following in place of para 41 on page 34 of the Merchandise Marks Manual, 1921 Edition.

(Amendments shown in italics).

41. Yarn is ordinarily made up in 5 or 10-lb. bundles containing a certain number of knots, which in turn contain a certain number of hanks :—

(Bundles of yarn of 5 or 10-lbs. weight are ordinarily made up in knots containing single or two-fold yarn of hanks of 840 yards each and also single or two-fold yarn of double hanks of 1,680 yards each :) and, as contemplated in paragraphs III to V of Notification No. 1474, as subsequently amended, reproduced in Part II, there is or should be a definite relation between the number of knots in a bundle and the count. Thus in a 10-lb. bundle in which there are 10 hanks (of single yarn) to the knot, the number of knots is, or should be, the same as the number of the count. Similarly, if such a bundle is made up with 20 hanks to the knot, the number of the latter is, or should be, half the number of the count, and so on. But such a make up does not of itself amount to a trade description of the count: to constitute the latter, as mentioned in rule 2 above, there must be a description or statement applied to the yarn or an indication, direct or indirect of the nature of a description or statement, including the use of any numeral word or mark which according to the custom of the trade is commonly taken to be an indication of the count; and any such description must be so qualified as to indicate the mode of reeling of the yarn if it is two-fold yarn or in double hanks or both. Thus the mark "20s" applied to the wrapper of a bundle of yarn indicates that the count is 20. Similarly for a bundle of 40 count of two-fold yarn in single hanks the correct marking should be "40s/2" or "2/40s"; or for a bundle of the same count of single or two-fold yarn in double hanks, the marking should be "40s XX" or "40s/2 (or 2/40s) XX" (being the trade signification of a double hank) according as the yarn is single or two-fold and, in the absence of the words 'metric count' or other definite indication that the yarn is measured on the metric system, such marking should be regarded as indicating further that it is measured by the British system.

No. 1103/170 of the 2nd May, 1923.

From the Chamber to the Collector of Customs, Bombay.

I have the honour to acknowledge the receipt of your letter, R.S.R. No. 776, dated the 10th April, 1923, and its accompaniment namely, a copy of suggested amendments of Rule III on page 12 and paragraph 41 on page 34 of the Merchandise Marks Manual 1921 Edition and a copy of various opinions on the proposed amendments.

In reply I am to inform you that my Committee have carefully considered the suggested amendments and the opinions thereon expressed in the accompaniments to your letter and that they approve of the Merchandise Marks Manual being amended in the manner proposed.

APPENDIX K-6.

CONFERENCE ON CUSTOMS FORMALITIES UNDER THE AUSPICES OF THE LEAGUE OF NATIONS.

No. 1849 of the 28th March, 1923.

**From the Government of India, (Department of Commerce)
Delhi, to the Chamber.**

*Proposed conference on customs formalities under the auspices
of the League of Nations.*

I am directed to forward a copy of letters, dated the 16th and 20th February, 1923, and enclosures, from the Secretary General of the League of Nations on the above subject. It will be seen that it is proposed to hold, under the auspices of the League, a Conference of customs formalities at Geneva on the 15th October, 1923, and for this purpose the League wish to circulate to its members on the 31st May a draft programme on the subject, together with the criticisms thereon by the experts and business organizations of each constituent State. With this object in view, the Secretary General of the League desires that criticisms on the draft programme should be forwarded so as to reach Geneva by 1st May. It is of course not possible to comply with the Secretary General's request for a reply by this date, but the Government of India propose to communicate it as soon thereafter as possible. I am therefore to request that such observations on the several articles of the draft programme as your Chamber may wish to make, may kindly be forwarded so as to reach the Government of India by 1st May at the latest.

H. C. 974 of the 20th February 1923.

From the Deputy Secretary General, League of Nations, Geneva, to the High Commissioner for India, London.

I have the honour to enclose a copy of a letter of invitation sent to the Government of India to participate in a conference on Customs Formalities and other similar matters to take place in Geneva on October 15th 1923.

The Council has entrusted the Economic Committee of the League with the preparatory work for this conference. The Committee have drawn up a series of proposals to serve as the basis of the programme of the conference which together with the letter of invitation, have now been submitted to the States Members of the League with the request that they will furnish the Economic Committee as soon as possible and in any case not later than May 1st with such criticisms and observations as the Governments may wish to put forward. It is evidently in the interest of each State to forward their observations in time to ensure that full account is taken of them in the preparation of the documents to be laid before the Conference. The Council is desirous that these documents should be sent out to all invited States by June 1st next.

I would therefore ask you to be good enough to represent to your Government the importance of the question and to request them to give their earnest consideration to the programme approved by the Council and to forward their observations not later than May 1st next in time for the meeting of the Economic Committee which will sit during the months of May to work upon the documents received.

Having regard to the fact that it has been necessary to ask the Governments to submit their observations within such a short time, you may perhaps care to consider the desirability of informing your Government of the invitation by cable, transmitting at the same time the request of the Council to submit to expert examination the draft programme contained in the Report of the Economic Committee to the Council and Assembly of 1922 (Document A. 59. 1922. II) which is already in the hands of your Government.

C. L. 15 1923 II of the 16th February, 1923.

From the Secretary General, League of Nations, Geneva, to the Government of India.

I have the honour to request you to convey to the Government of India an invitation in the name of the Council of the League of Nations to participate in a Conference on Customs Formalities and other similar matters to take place on October 15th, 1923, at Geneva.

This invitation is sent in pursuance of the resolution adopted by the Council on January 30th last.

The enclosed Reports of the Economic Committee set forth the circumstances in which its proposal for the convening of this Conference was made.

The programme of the Conference will be confined to the group of subjects indicated in the enclosed proposal of the Economic Committee (Annex 2 to the Report presented to the Assembly of 1922), which was approved as a basis for the work of the Conference by the Council and Assembly.

It is the express wish of the Council that questions relating to the policy of Members of the League in respect of customs tariffs or commercial agreements should be excluded from the scope of the Conference.

It will be for the Conference to decide how far the results eventually attained should be embodied in conventions, declarations or recommendations.

The Economic Committee has been entrusted with the task of drawing up the documents to be laid before the Conference. The Council is anxious that full opportunity should be given to all States invited to the Conference to ensure that their views, official or unofficial, are taken into account, when these documents are completed. The Council would therefore be glad if your Government would furnish to the Economic Committee of the League any criticisms and observations on the proposals made in the several articles of the draft programme, by the various experts or business organisations which your Government may decide to consult. In this manner, the Economic Committee will be enabled to present to the Conference documents which take account of the views received from different States, whilst leaving to the Governments of those States complete liberty of action.

In order that these documents may be in the possession of all recipients of the invitations to the Conference in ample time before the meeting of the Conference, it is desirable that they be sent out on May 31st next. I am therefore to request that the observations to be forwarded by your Government may reach the Economic Committee not later than May 1st next, so that they may be utilised in the preparation of the documents.

The resolution of the Council referred to above, reads as follows :—

- “(a) That invitations to a Conference on Customs Formalities to take place at Geneva on October 15th, 1923, be now sent out in the name of the Council to all States Members of the League ;

- "(b) That these invitations be accompanied by the document approved by the Council and Assembly in September last as the basis for the programme of the Conference and by the Report of the Economic Committee on this subject which was presented to the Council and Assembly of 1922 ;
- "(c) That it be explained, in sending out the invitations, that the Conference will be confined to questions of customs formalities and will not touch upon questions of tariffs and commercial agreements ;
- "(d) That all States invited to the Conference be requested, to furnish to the Economic Committee as early as possible, and in any case before May 1st next, so as to be utilised in the documents which will be submitted to the Conference, such criticisms on the subjects included in the programme as their various experts and bodies interested in the matter may wish to put forward. These documents will be ready for communication to the recipients of the original invitations on May 31st next.
- "(e) The Council approves the methods proposed by the Economic Committee for the technical preparation of the Conference and authorises the Committee to consult such experts as it may think fit ;
- "(f) The Council considers it desirable on technical grounds that the number of States attending the Conference should be as large as possible, and resolves that invitations to the Conference be sent to the Governments of Ecuador, Germany, Mexico and the United States ;
- "(g) In view of the *fact* that the International Chamber of Commerce has for some time had in preparation an international consultation of representatives of industry and commerce on questions of the same category as those which figure on the programme of the Conference convoked by the League of Nations, this body be invited to attend the Conference in a consultative capacity without, however, having the right to vote."

LEAGUE OF NATIONS.

ECONOMIC AND FINANCIAL COMMISSION.

Economic Committee.

INTERNATIONAL CUSTOMS CONFERENCE GENEVA, OCTOBER 1923.

I. Resolution of the Council of January 30th, 1923, Convening Conference on Customs Formalities.

Appreciating the difficulties which certain States experience in completing, by the date originally contemplated, the necessary preparatory study by experts of the programme of the Conference,

And desirous of facilitating the co-operation of the countries of America whose representatives may be occupied for a considerable period by the Conference of Santiago which commences towards the end of March next;

The Council resolves :

- (a) That invitations to a Conference on Customs Formalities to take place in Geneva on October 15th, 1923, be now sent out in the name of the Council to all States Members of the League ;
- (b) That these invitations be accompanied by the documents approved by the Council and Assembly in September last as the basis for the programme of the Conference and by the Report of the Economic Committee on this subject which was presented to the Council and the Assembly of 1922 ;
- (c) That it be explained, in sending out the invitations, that the Conference will be confined to questions of customs formalities and will not touch upon questions of tariffs and commercial agreements ;
- (d) That all States invited to the Conference be requested to furnish to the Economic Committee as early as possible, and in any case before May 1st next, so as to be utilised in the documents which will be submitted to the Conference, such criticism on the subjects included in the programme as their various experts and bodies interested in the matter may wish to put forward. These documents will be ready for communication to the recipients of the original invitations on May 31st next.
- (e) The Council approves the methods proposed by the Economic Committee for the technical preparation of the Conference and authorises the Committee to consult such experts as it may think fit ;

- (f) The Council considers it desirable on technical grounds that the number of States attending the Conference should be as large as possible, and resolves that invitation to the Conference be sent to the Governments of Germany, the United States, Mexico and Ecuador ;
- (g) In view of the fact that the International Chamber of Commerce has for some time had in preparation an international consultation of representatives of industry and commerce on questions of the same category as those which figure on the programme of the Conference convoked by the League of Nations, this body be invited to attend the Conference in a consultative capacity without, however having the right to vote.

II. Draft Programme of Conference.

Propositions adopted by the Economic Committee to serve as basis for the programme of a Customs Conference* :

1. The participating States should recognise and undertake to apply the principle that the stipulations of Article 23 of the Covenant of the League of Nations with regard to the accord of equitable treatment to the commerce of other States Members of the League require that the commerce of such States should not be hindered by excessive, unnecessary or arbitrary customs or other similar formalities imposed by another Member.

They should therefore undertake to revise so far as necessary all the provisions affecting customs or other similar matters which are prescribed by law, or in rules, regulations and instructions issued by the various administrative authorities in their respective countries with a view to their simplification and adaptation to the needs of commerce and to the avoidance of all interference with foreign trade except that which is absolutely necessary in order to safeguard the essential interests of the State.

2. In order to ensure the necessary publicity to the legislation and customs regulations of the participating States and in particular, to the steps taken by them to simplify their customs and other similar formalities, the participating States should make a report to the Secretary-General of the League of Nations within twelve months of the coming into force of these Articles, giving full information as to the steps which have been taken to give effect to the undertaking in the preceding Article. Similar reports should thereafter be made at such intervals (but not more frequently than once a year) as the Council of the League of Nations may think desirable. In addition, the participating States should publish promptly all customs and similar regulations and all modifications therein in such a manner as to enable traders interested to become acquainted with them.

* Annex 2 to the Report presented to the Council and the Assembly 1922. (Document A. 59 1922. II.)

3. In order that International Commerce may not suffer inconvenience and prejudice through ignorance of customs conditions on the part of the parties concerned, the participating States should strictly ensure that no changes either in their tariff rates and nomenclature or in their Customs Regulations should be enforced before such changes have been published either in the Official Journal of the countries or through some other suitable channel of publicity.

In the event of the customs regime of any participating State having been modified by successive additions and alterations, it is desirable that such State should publish a complete statement of the duties in force from time to time. This statement should show all the charges levied by the Customs authorities, either on importation or exportation, a distinction being clearly made between customs duties proper and the special taxes imposed on certain goods or classes of goods in such a fashion that the total amount to be paid on clearing the goods through the Customs can be definitely ascertained.

The necessary publicity having thus been assured within their own countries by the States which have taken the above-named measures it is essential that foreign traders should be enabled to become acquainted with them, as quickly as possible, through some centralised system.

For this purpose, it is suggested that everything of the nature described in the preceding paragraph which is published by the States should be communicated by them without delay to the Secretary-General of the League of Nations, and it is desirable that the League should, in the near future publish in its periodical publications a concise, classified index indicating the goods to which the customs changes relate and also the official source in which the text of the measures appears.

It will be for the International Bureau of Customs Tariffs at Brussels, which was established by the Convention of July 5th, 1890, to assure a complete publication of tariffs, which should also for this purpose be communicated to it as soon as they appear.

4. The participating States should undertake to observe strictly the principle of equitable treatment in respect of Customs or other similar regulations or procedure, formalities of the grant of licenses, methods of verification or analysis and all other matters dealt with in these articles and, consequently should abstain from any unjust discrimination in any of these matters against the commerce of any participating State. The above principle shall be invariably applied even in cases in which certain participating States, in accordance with their legislation or commercial agreements may reciprocally agree to accord still greater facilities than those prescribed in these articles.

5. In view of the grave obstacles to international trade caused by import and export prohibitions or restrictions, the participating States should adopt and apply all practicable measures to reduce such prohibitions and restrictions as soon as possible to the smallest number. If in any case a system of prohibition subject to licenses is found necessary, the conditions under which licenses can be obtained should be publicly announced and clearly stated in such a manner as to enable traders interested to become acquainted with them, the licensing system should be as simple and unvarying as possible, and applications for licences should be dealt with as speedily as possible.

6. The participating States should take the most appropriate measures by their national legislation and administration both to prevent the arbitrary or unjust application of their laws and regulations with regard to customs and other similar matters and to ensure redress for those who may have been prejudiced by such abuses.

7. Where the regime applicable to any class of imported goods depends on the fulfilment of particular technical conditions as to their constitution, purity, quality, sanitary condition, district of production, or similar matters, the participating States should endeavour to conclude agreements under which certificates, stamps or marks given or affixed in the exporting country guaranteeing the satisfaction of the said conditions may be accepted in lieu of subjecting the goods to a second analysis or other test in the country of importation, subject to special guarantees to be taken where there is suspicion of fraud, provided that they are satisfied as regards the authority by which the certificates, etc., are issued and the nature and standard of the test applied in the exporting country.

8. Articles imported as samples by manufacturers or traders established in any of the participating States, or by commercial travellers representing them who are duly furnished with a certificate establishing their status, should, in the territories of each of the participating States, be temporarily admitted free of duty on condition that such persons comply with the laws and regulations and also the customs formalities established to assure the re-exportation of the articles or the payment of the prescribed customs duties if not re-exported within the period allowed by law. But the foregoing privilege should not extend to articles which, owing to their quantity or value, cannot be considered as samples, or which, owing to their nature, could not be identified upon re-exportation.

The marks, stamps, or seals placed upon such samples by the Customs Authorities of any of the participating States at the time of exportation and the officially attested list of such samples containing a full description thereof should be accepted by the Customs officials of any other participating State as establishing their character as samples and exempting them from inspection except so far as may be necessary to establish that the samples produced are those enumerated in the list.

The Customs authorities of any of the participating States, may, however, affix a supplementary mark to such samples in special cases where they may think this precaution necessary.

The duties or deposits provisionally paid for such samples on entry should be reimbursed at any frontier by which they may be re-exported.

The participating State should undertake to accept the certificates establishing the status of commercial travellers granted by any authorities recognised as competent for the purpose by the participating State in which the commercial travellers are domiciled. Included among such authorities may be the National Chambers of Commerce of the exporting country or other commercial associations recognised by that country whether or not such organisations have an official character and on conditions of reciprocity between them. Certificates issued by these authorities should not require a visa from any Consular or other official. The only exception to this rule should be in the case of a State which can justify such a requirement by special and exceptional circumstances, and in that case the charge for the visa should not exceed the cost of the service. The participating States should communicate to each other directly or through the League of Nations, as soon as possible a list of authorities recognised as competent for the above purpose. In the meantime the existing practice should continue.

9. In addition to giving effect to the foregoing Articles, the participating States should consider the best methods of simplifying and making more uniform and reasonable their procedure in respect of the following matters among others whether by means of individual or concerted action :

- (a) The rapid passage of goods through Customs ;
- (b) The examination of travellers' luggage ;
- (c) The system of temporary admission, the conditional payment or deposit of duties and the conditions of their repayment ;
- (d) The system of improvement trade and the procedure for verifying the re-importation of the goods ;
- (e) The system of goods in bond and the charges made in respect of them.

10. It will be the duty of the proposed Customs Conference, which will examine the above Articles, to decide how far the results obtained by such Conference should be embodied in Conventions, Declarations or Recommendations, and consequently, how far any differences arising as to their interpretation or application should be submitted to the Permanent Court of International Justice or some other suitable arbitral organisation.

It will also be the duty of the Conference to consider the scope and duration of the application of the Articles, including such questions as their application to overseas possessions, and their adaptation to countries whose federal constitutions may make it impossible to give full effect to any of their provisions.

III. Reports by the Economic Committee.

*(a) Report on Equitable Treatment of Commerce, September 1922. **

1. Preamble.

By a resolution of the Council, dated September 19th, 1921, and confirmed by a resolution of the Second Assembly, the Economic Committee were directed to consider and to report upon the meaning and scope of the provision relating to equitable treatment of commerce contained in Article 23 (e) of the Covenant.

During the year which has elapsed since the adoption of the above resolution, the Economic Committee have given earnest and continued consideration to the difficult problem submitted to them, and they have presented two interim reports thereon to the Council.

The following is a general resume of the results arrived at by the Committee up to the present time.

The relevant words of Article 23 (e) of the Covenant are as follows :

“ Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Member of the League.....will make provision to secure and maintain.....equitable treatment for the commerce of all Members of the League. In this connection the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind.”

The Committee have interpreted the mandate confided to them as having an essentially practical rather than a theoretic object. The Committee have considered that their task is not to engage in the barren academic labour of attempting to frame a definition of “ equitable treatment,” but rather to advise the Council and the Assembly as to the more important practical duties imposed on Members of the League by the above provision of the Covenant, and as to the measures which could appropriately be taken at the present time through the machinery of the League of Nations to provide for the better fulfilment of all or any of those duties by the Member States. Regarding the problem presented to them as essentially a practical one, the

* Extract from the Report presented by the Economic Committee to the Council and the Assembly 1922 (Document A 59, 1922. II).

Committee came to the conclusion that the best method of achieving a useful result was to begin by enumerating various classes of practices which, in their judgment, clearly violated the principle of the equitable treatment of commerce laid down in the Covenant.

Their next step was to examine carefully each of these classes of practices in turn with a view to determining how far there is a reasonable prospect at the present time of obtaining general assent to the enactment of measures whether taken individually by the States or by some form of collective action which would put an end to the abuses in question.

Without professing that the following enumeration is in any way exhaustive, the Committee believe that a large proportion of the inequitable practices against which the provision in the Covenant was aimed are included under one or other of the following headings :

1. The encouragement or toleration of unfair competition by means of fraudulent trade practices (such as false marks and descriptions) to the injury of legitimate commerce.
2. The maintenance of excessive, useless, arbitrary or unjust formalities and procedure in respect of customs and other similar matters, whereby the commerce of other Members of the League is prejudiced.
3. The application by any Member of the League of unjust or oppressive treatment in fiscal or other matters to the nationals, firms or companies of other Members of the League exercising their commerce, industry or other occupation in its territories.
4. Unjust discrimination directed against the commerce of any Member of the League in such matters as the treatment accorded to goods or ships.

2. *Unfair Competition.*

(Not quoted here.)

3. *Customs and Other Similar Formalities.*

The next group of abuses which engaged the detailed consideration of the Committee are those arising from the maintenance of excessive, useless, arbitrary or unfair customs formalities and practices. It goes without saying that practices of this nature, which cause unjustifiable injury and inconvenience to the commerce of Members of the League, constitute an important violation of the principle of equity laid down in Article 23 (e) of the Covenant. On this subject the recent Genoa Conference adopted a series of recommendations, with the principles of which the Committee are in cordial agreement. They consider, however, after careful examination of the question, that the time is ripe for a further step forward and for a systematic effort, through the

machinery of the League of Nations, to arrive at a general understanding with a view to action by the various States, both individually and in co-operation to simplify and render more uniform and equitable their formalities and procedure, and to make better provision for prompt and widespread publicity as regards changes in their tariffs and regulations.

The Economic Committee are convinced that such a general understanding would constitute a substantial step toward securing a more equitable treatment of Commerce. They have therefore drawn up and submitted to the Council a series of Articles which they propose should be circulated with a covering letter to the States Members of the League as the basis of the programme for an International Customs Conference of Experts to be convoked by the League of Nations at an early date, say, during the coming spring. The results eventually attained by such a Conference would be embodied in such forms of international instruments, including for example, draft conventions declarations, and recommendations as the Conference itself may think best suited to achieve the various purposes desired. It need hardly be added that these instruments, like those resulting from the Barcelona Conference on Communications and Transit, will only be binding on those Member States which voluntarily accept them.

The Economic Committee consider that, in order to attain useful and practical results within a reasonable period, it is essential that the scope of the proposed Conference be carefully defined and limited, and that it be made clear at the outset that its programme will be confined to the important group of subjects indicated above, and will not extend to such matters as the policy of Members of the League in respect of tariffs or commercial agreements.

As regards the contents of the Articles themselves, it may be stated briefly that the first Article proposes that each Member should undertake to revise its own customs, regulations and procedure, so as to simplify them and adapt them to the needs of commerce.

The two following Articles are intended to ensure the necessary publicity for the measures taken in pursuance of the above undertaking, and also to secure that all changes in tariffs and regulations should be adequately published before enforcement.

Article 4 aims at prohibiting unjust discrimination against the commerce of any of the States as regards customs formalities, etc.

Article 5 aims at reducing to the lowest possible number, prohibitions and restrictions on import and export, and at simplifying the system of granting licenses.

Article 6 aims at preventing the arbitrary or unjust application of customs regulations, and ensuring redress for those who have been prejudiced thereby.

Article 7 aims at simplifying, by mutual agreements, the regime applicable to any class of imported goods where that regime depends on the fulfilment of particular technical conditions as to constitution, purity, quality, etc.

Article 8 deals with the simplification of formalities applicable to commercial travellers' samples.

Article 9 enumerates a number of other matters, *e.g.*, the passage of goods through Customs, examination of travellers' luggage, the systems of "temporary admission" and "improvement of trade" and goods in bond, which should, in addition to those treated in the preceding Articles, be considered by the various States, whether by means of individual or concerted action with a view to simplifying their procedure and making it more uniform and reasonable.

The last Article, No. 10, refers to various matters of procedure which the Conference would have to consider, *e.g.*, the provision to be made for interpretation or application and the possible adaptation of the provisions to meet certain special cases of difficulty.

There remains one question to which the Economic Committee attach much importance, but which, while closely connected with the subject-matter of the Articles described above, has nevertheless such a bearing in tariff policy as to be unsuitable, in their opinion, to be included in the programme of a conference which is to be limited to the discussion of customs formalities and procedure. This is the question of giving increased confidence to trade by the stabilisation of customs tariffs, *i.e.*, by adopting the principle of keeping such tariffs unchanged over substantial periods of time, both as regards rates and classification. While it is evident that no uniform rule can in present circumstances be prescribed, the Economic Committee have adopted the following recommendation on the subject, which they trust that the Council will see its way to communicate to the Members of the League:—

"The Economic Committee are deeply impressed with the inconvenience and injury caused to international commerce which result from the uncertainty arising from frequent changes of customs tariffs, and associate themselves cordially with the resolution of the Genoa Conference on this subject.

"The Committee strongly recommend that all States should endeavour to ensure that their customs tariffs should remain applicable over substantial periods of time and that changes in rates and classification should be effected as seldom as possible and only when they are necessitated by the essential economic needs of the country."

4. *Treatment of Foreign Nationals and Enterprises.*

(Not quoted here.)

5. *Unjust Discrimination.*

As regards the fourth heading, *viz.*, the suppression of all unjust discrimination against the commerce of other Members of the League in respect to the treatment of goods or ships the Economic Committee fully realise the desirability of the earliest and most general application of this essential principle, and they have given special consideration to the question in the light of the prolonged discussions and the recommendations of the Genoa Conference. As a result, the Committee regret that, in view of the wide divergencies of opinion between different States as to the fundamental principles of tariff and commercial policy, and the importance which many of these States attach to preserving their full autonomy in such matters, and also in view of the present instability of economic conditions in the world and the disorganisation of the exchanges, they have not so far been able to arrive at any generally acceptable body of detached doctrine on the subject which they could usefully submit to the Council either to form the programme of an international economic conference or to be recommended, with the authority of the League of Nations, for adoption by its Members at the present time.

In these circumstances the Economic Committee cannot at the moment do more than express their earnest hope that the principles embodied in the Genoa resolutions will receive the widest possible application.

The Committee, however, have still some aspects of this matter under consideration, and they are also acting in close consultation with the Communications and Transit Committee so far as regards such parts of the subject as are within the purview of that organisation.

* * * * *

Some disappointment may be caused in certain quarters by the failure of the Economic Committee to arrive at a more general and ambitious programme for the immediate introduction of a general system of equitable treatment of commerce in the fullest sense of the phrase. The Economic Committee, however, are convinced that this plan of study and of practical action which they have been led to adopt *viz.*, the removal, one by one, of the obstacles hindering the equitable treatment of commerce as and when it appears possible to deal effectively with each of such obstacles, is the only plan which, in the present chaos of world conditions and opinions, presents any reasonable prospect of success, and is therefore, in the words of the resolutions of the Second Assembly, "best calculated to facilitate the earliest and most general application possible of the principle in question."

In conclusion, the Economic Committee desire to add, in order to avoid any possible misunderstanding, that though, in accordance with the terms of Article 23 (e) of the Covenant, they have limited their attention to the treatment to be accorded to the commerce of Members of the League of Nations, this limitations must not be interpreted as giving any countenance to a policy of discrimination as between Members and non-Members as such.

(b) Report on Conference on Customs Formalities, January 1923.

1. The Economic Committee have given renewed and close consideration to the proposals for the convening of a Conference on Customs Formalities which they made to the Council in September last and which were then approved by the Council and the Assembly.

They regret that it has not proved possible for the League to take, before this date, official action on the lines which they now recommend. Nevertheless, since that date much has been done through the agency of the several members of the Committee to prepare detailed commentaries on the programme drawn up by the Committee which will greatly facilitate the discussions of the Conference. The Committee have received evidence, however, which convinces them that in spite of the great efforts which are being made in many quarters, the necessary study by the experts of the States Members of the League cannot be completed and collated by the date originally contemplated. The urgent calls upon the expert minds of many European countries are, in the present economic conditions of Europe, such as to make a certain delay essential if adequate use is to be made of the experience and ability of the persons and bodies concerned. Moreover, such a delay would greatly facilitate, they understand, the co-operation of the countries of America whose representatives may be occupied for a considerable period by the Conference of Santiago, which begins at the end of March next.

2. The Committee are anxious that all States represented at the Conference should have ample time to consider, before the departure of their representatives, the final documentation which the Committee intends with the approval of the Council to place before the Conference. This documentation will incorporate the criticisms which the Committee will receive upon the programme already approved by the Council. Such criticisms will be obtained, it is hoped, not only from the various countries which have representatives in the Committee but from countries not so represented; not only from official sources but from business organisations. But the Committee attach a very special importance to offering to all States Members of the League an opportunity, by a formal invitation of the Council, to furnish the Committee, in time for inclusion in their final documents, with such criticisms on the programme as their various experts and bodies interested in the matter may wish to put forward.

3. By preliminary studies conducted in this manner, the Committee feel confident that whilst dispensing, perhaps, with certain formalities

they can assure the necessary technical preparation to justify the recommendations which they have made to the Council to call this Conference. This procedure will, they believe, ensure :

- (a) That every State Member of the League has full opportunity to supply expert comments for incorporations in the documentation to be laid before the Conference ;
- (b) That this documentation incorporating all the views put forward by the required date, will be in the possession of all States Members of the League in sufficient time before the Conference ;
- (c) That the States Members of the League retain full liberty of action at the Conference in all respects.

4. The Committee recommended to the Council that expert representatives of certain States non-Members of the League of Nations should be invited to consider the programme drawn up by the Committee for the Equitable Treatment of Commerce as regards customs formalities and similar matters.

Whilst desiring, on technical grounds, that the largest possible number of States will participate in the Conference, the Committee consider that the question of the eventual issue of invitations to States non-Members of the League is a matter for the Council.

5. The Conference proposed is a Conference of Governments. The recommendations, resolutions, or other international instruments to issue from the Conference will be instruments to which Governments alone are parties. Nevertheless, the industry and commerce of the various States are the activities directly affected by the customs formalities under consideration. The Committee consider it essential therefore that the organised representatives of industry and commerce in each State should be given opportunity to make their views heard. The normal manner in which this will be done will be through the medium of the national representatives.

At the same time the Committee have recently learned, with great interest, of the initiative taken by the International Chamber of Commerce in these matters. The International Chamber of Commerce starting from a different standpoint has for some time had in preparation an international consultation of representatives of industry and commerce, through its own widespread organisation, on matters of customs rules and formalities. The Economic Committee certainly do not wish to substitute the consultation of an international body for the method inherent in the constitution of the League, which is that of the consultation of the Governments direct, and, through their agency, of any competent economic bodies. But there is no reason why any specially qualified international body should not be associated, in an advisory capacity and on special occasions, with the technical work of the League. The initiative of the International

Chamber of Commerce, which originated independently of the League of Nations, offers, in the opinion of the Committee, an excellent reason and opportunity for a collaboration in this matter between the League and the International Chamber of Commerce.

The Economic Committee therefore recommend to the Council that an invitation be sent to the International Chamber of Commerce to assist at the forthcoming Conference, naturally without the right to vote. The Committee will be happy in their preparatory work to take full account of the comments and suggestions which the International Chamber of Commerce may send them in time for consideration in their final documentation.

6. In consequence of the above, the Committee have the honour to submit to the Council the following proposals :—

- (a) That invitations to a Conference on Customs Formalities to take place in Geneva on October 15th, 1923, be now sent out in the name of the Council to all States Members of the the League.
- (b) That, whilst hoping that, on technical grounds, the participation of States will be as large as possible, the Committee leave it to the Council to decide if the invitations to attend the Conference should also be extended to States non-Members of the League.
- (c) That an invitation be sent to the International Chamber of Commerce to assist at the Conference in a consultative capacity.
- (d) That these invitations be accompanied by the document approved by the Council and Assembly in September last as the basis for the programme of the Conference, and by a special request to all recipients of the invitation to furnish the Economic Committee as early as possible, and in no case later than May 1st next, with criticisms on the subjects included in the document.
- (e) That it be explained in sending out the invitations that the Conference will be confined to questions of customs formalities and will not touch upon questions of tariffs and commercial agreements, and that the final documentation prepared by the Economic Committee for the Conference (based upon all the material received by May 1st next) will be sent to all recipients of the original invitation on May 31st next, so that it may be in their possession in ample time before the meeting of the Conference.

7. The Committee feel that it is their duty to draw the attention of the Council to the requirements of personnel which their proposals will involve. In the short time available, a very heavy strain will be thrown upon the Secretariat for the preparation and organisation

of the Conference. Their demand in this regards are likely to be greater, over a certain period, than was anticipated, and they trust that the Council will give them full support in their work by providing such extra staff of such numbers and qualifications as the increased work may, in the opinion of the Secretary-General, demand.

IV. Resolution of the Council, September 1922.

Affirming once more the obligation to apply as early as possible and in the most general manner the principle laid down in Article 23 (e) of the Covenant of the League of Nations ;

Recognising that although this obligation should be observed henceforth by all States through their own legislation, there are, even at the present moment, and in spite of the difficulties which still hinder more general agreements, some aspects of commercial equity to which a concrete doctrine and a common action can be applied ;

Being of opinion, in accordance with the views of the Economic Committee, that amongst the different practices which cause unjustifiable injury and inconvenience to the commerce of Members of the League, and which therefore violate the principle of equity laid down in Article 23 (e) of the Covenant, it is desirable to emphasise, as particularly prejudicial to international traffic, the maintenance of excessive, arbitrary, or unfair customs formalities and practices, and that therefore States Members of the League should endeavour, through the machinery of the League of Nations, to arrive at a general understanding for action by the various States, both individually and in co-operation in order to simplify and render more uniform and equitable their formalities and procedure regarding customs and other similar matters, the Council resolves :

- (a) To convene an International Customs Conference of Experts in Geneva in May 1923. The invitations will be sent by the Council to the States Members of the League so as to reach them not less than three months before the date of the Conference ;
- (b) To circulate to the States Members of the League the proposals recommended by the Economic Committee to serve as the programme of this Conference ;
- (c) It invites the Economic Committee to draw up the agenda for this Conference, taking into account all representations which may be received by them before the invitations are despatched, it being understood that the programme of the Conference will be confined to the group of subjects indicated in the proposal of the Economic Committee and will not extend to the discussion of matters relating to the policy of Members of the League in respect of tariffs or commercial agreements.

V. Resolution of the Assembly, September 1922.

The Assembly approves the proposal to convene a Conference of Experts on Customs Formalities. It trusts that all possible measures will be taken not only to promote the success of the Conference but also to follow up its conclusions in such a way as to secure practical action by the Governments with the least possible delay.

No. 932/161 of the 12th April 1923.

**From the Chamber to the Government of India
(Department of Commerce), Simla.**

I have the honour to acknowledge the receipt of your letter No. 1849, dated the 28th March 1923 and its accompaniments on the subject of the proposed Conference on customs formalities under the auspices of the League of Nations.

2. In reply I am to inform you that my Committee have carefully considered the draft programme of the Customs Conference that is to take place in October 1923 and they approve of the general principles underlying the proposals that will be considered at the Conference.

3. In particular I am to state that my Committee consider that the Government of India should support any proposal for the simplification or unification of customs formalities or for the provision of facilities for the easy circulation of commercial samples, provided that the adoption of any proposal would not provide opportunities for the evasion of import or export duties or of the various regulations enforced for the protection of health.

APPENDIX K-7.

**RULES UNDER THE SEA CUSTOMS ACT
REGARDING TRANSHIPMENT.**

S.R. No. 4252 of the 28th September 1923.

From the Collector of Customs, Bombay, to the Chamber.

I have the honour to invite your attention to the provisions of the Sea Customs Act regarding transhipment (Chapter XII).

2. In order that the closing of ships' manifests may be effected more expeditiously with fewer references it has been found desirable to prescribe a limit within which the privilege of transhipment free of duty can be effected.

3. It is of course not my proposal to place any unreasonable restriction on transhipment which might divert trade from Bombay; consequently I forward for your remarks the draft of a rule which I propose to recommend the Chief Customs Authority to issue.

4. The effect of this rule will be that if transhipment be not effected within one month (or in special circumstances 6 weeks) the cargo would then be on the same footing as local import cargo and would in due course become liable to be disposed of under the Port Trust or Sea Customs Acts, while to send it to its destination would involve payment of duty with the right to export under claim for drawback. The extended period of six weeks would not ordinarily be allowed unless it were shown that an oncarrying vessel was not available earlier. The Rules for the transhipment of goods in the port of Bombay will be found on page 267 of the 1922 Edition of the Bombay Sea Customs Manual.

Draft Rule.

No. In exercise of the powers conferred by Section 130 of the Sea Customs Act (VIII of 1878), the Commissioner of Customs, Salt and Excise, is pleased further to amend in the following manner Government Notification in the Revenue Department No. 6868 of 30th July 1894, as subsequently amended, and to direct that the amendment shall come into force after the expiry of two months from the date of the publication of this Notification :—

To Rule 2 add the following sub-paragraph :—

- (d) transhipment is effected within one month of the date of arrival of the importing ship or such extended period up to six weeks which the Collector of Customs may in special circumstances sanction.

No. 2263/260 of the 26th October 1923.

From the Chamber, to the Collector of Customs, Bombay.

I have the honour to acknowledge the receipt of your letter, No. S.R.-4252, dated the 28th September 1923, on the

subject of a proposal to amend the rules regarding transshipment under the Sea Customs Act.

2. The effect of the rule which you suggest for addition to the existing ones regarding free transshipment, is, my Committee understand that if transshipment be not effected within one month (or in special circumstances six weeks) the cargo would then be on the same footing as local import cargo and would in due course become liable to be disposed of under the Port Trust or Sea Customs Acts ; while to send it to its destination would involve payment of duty with the right to export under claim for drawback : the extended period of six weeks would not ordinarily be allowed unless it were shown that an oncarrying vessel was not available earlier.

3. In reply I am to say that my Committee do not approve of your proposal to limit the period of free transshipment to one month, they consider that its adoption would inflict severe hardship in respect of cargo intended for such ports as Seychelles or New York, to which there is only a monthly service, or for ports closed during the Monsoon.

4. My Committee are however prepared to agree to your proposal to limit the period of free transshipment provided the period is fixed at two months, and in respect of ports that are closed during the South-West Monsoon with an additional extension of six weeks after the opening of such ports. The additional rule would then read :—

“Transshipment is effected within two months of the date of the arrival of the importing ship, and, in the case of ports that are closed during the South-West Monsoon, within six weeks after the opening of such ports.”

R.S.R. No. 4252 of the 3rd November 1923.

From the Collector of Customs, Bombay, to the Chamber.

With reference to your letter No. 2263/260, dated 26th October 1923 on the subject of the amendment of rules regarding the privilege of transshipment free of duty under the Sea Customs Act, I have the honour to inform you that I

agree to your proposal to fix the period of free transhipment at two months from the date of the arrival of the importing ship, and that in the case of ports that are closed during the South-West Monsoon, an extension of six weeks after the opening of such ports should be granted.

APPENDIX K-8.

PROPOSED ABOLITION OF PREFERENTIAL DUTY AGAINST JAVA TEA IN NEW ZEALAND.

No. 679-A. C. of the 4th June 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

I am directed to inform you that the following telegram has been received from the Ceylon Chamber of Commerce, dated Colombo, 30th May 1923 :—

“This Chamber learns New Zealand Government contemplating abolition of preferential duty against Java tea making all free, suggest your Association immediately urge Government to protect Empire products, this Chamber pressing Ceylon Government likewise.”

I am desired by the President to request the favour of the opinion of your Chamber at a very early date on the proposal put forward by the Ceylon Chamber.

In this connection I am to draw your attention to the summary of the Association's consideration of the question of Indian and Ceylon tea in Australia, which occurs in the Annual Report for 1921 and of which I enclose a copy for easy reference.

Extract from the Annual Report 1921-Page 10.

INDIAN AND CEYLON TEA IN AUSTRALIA.—At the instance of the Ceylon Chamber the Association considered the question of the position of British grown teas in Australia. Imports of Java tea into the commonwealths are understood to be increasing, for Java is fortunately placed geographically as regards Australia, and freight and exchange give her a considerable advantage over Indian and Ceylon teas.

It appeared on enquiry that the Indian Tea Association had already been in communication with the Government of India on the subject. But the Government were not disposed to take action, as they were not in a position to negotiate with Australia, seeing that they could not offer reciprocal treatment to Australian products. The Government suggested that the matter should be allowed to stand over until the Fiscal Commission, which is now sitting, had reported. In the circumstances, no action was taken by the Association.

No. 1421-205 of the 14th June 1923.

From the Chamber, to the Associated Chambers of Commerce of India and Ceylon, Bombay.

I am directed to acknowledge the receipt of your letter, No. 679-A. C., dated the 4th June 1923, and in reply to say that my Committee are in favour of supporting the proposal put forward by the Ceylon Chamber with regard to imperial preference in respect of tea.

No. 697-A. C. of the 22nd June 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

With reference to my letter, No. 679-A. C., dated the 4th June 1923, I am directed to inform you that the following telegram, dated 21st June 1923 has been received from the Ceylon Chamber of Commerce.

"Reference my telegram thirtieth ultimo New Zealand Government advise abolition of preferential tariff not contemplated.—Chamber."

No. 1547-205 of the 27th June 1923.

From the Chamber, to the Associated Chambers of Commerce of India and Ceylon, Bombay.

I am directed to acknowledge the receipt of your letter No. 697-A. C., dated the 22nd of June 1923 on the subject of the Import of Java tea into New Zealand.

APPENDIX K-9.

TESTING OF INSULATED COPPER WIRES AND CABLES.

No. 7329 G. of the 5th March 1923.

**From the Government of Bombay (Revenue Department)
to the Chamber.**

*Discontinuance of testing by the local Electrical Engineer on
certain Wires and Cables.*

With reference to the correspondence ending with this Government's letter No. 6220, dated 20th June 1919, I am directed by the Governor in Council to forward, for the information of your Chamber, a copy of the letter from the Government of India No. 762, dated 1st February 1923, on the subject mentioned above.

No. 762 of the 1st February 1923.

**From the Government of India (Department of Com-
merce), Delhi, to the Government of Bombay, (Reve-
nue Department).**

I am directed to refer to paragraph 2 of my letter No. 2697, dated the 5th May 1919, in which orders were issued to the effect that wires and cables manufactured by non-members of the British Cable Makers' Association and bearing statements such as "Guaranteed equal in all respects to "C. M. A." products of similar grade" or "Guaranteed up to Association Standard" should be tested by the local Electrical Officer with a view to verifying the correctness of the descriptions conveyed by these statements.

2. The Government of India are now advised that the orders referred to above are *ultra vires* of the Indian Merchandise Marks Act IV of 1889. They have, therefore, decided that in future goods so marked should not be detained for purposes of examination, and I am to request that, with the permission of His Excellency the Governor in Council, the local customs authorities may be instructed accordingly and that the decision of the Government of India may also be communicated to the Chamber of Commerce, Bombay.

No. 1235-133 of the 17th May 1923.

**From the Chamber, to the Government of Bombay,
(Revenue Department).**

I have the honour to refer to your letter No. 7329-G, dated the 5th March 1923, on the subject of the discontinuance of testing by the local Electrical Engineer of certain wires and cables, with which you enclosed a copy of a letter from the Government of India, Department of Commerce, No. 762, dated the 1st February 1923, on the same subject.

2. The Government of India, in their letter above mentioned, refer to the orders that were issued during 1919 to the effect that wires and cables manufactured by non-members of the British Cable Makers' Association and bearing statements such as "Guaranteed equal in all respects to 'C. M. A.' Products of similar grade," or, "Guaranteed up to Association Standard," should be tested by the local Electrical Engineer with a view to verifying the correctness of the descriptions conveyed by those statements. They stated that they had been advised that those orders were *ultra vires* of the Indian Merchandise Marks Act IV of 1889, and that therefore they had decided that in future goods so marked should not be detained for purposes of examination.

3. In reply I am to state that my Committee's answer to your letter has been delayed on account of their having awaited replies to a reference that they made in this connection to certain insurance companies and various importers of wires and cables.

4. My Committee have now carefully considered the Government of India's decision in this matter and I am to inform you that, in their opinion, the discontinuance of the testing of the wires and cables will undoubtedly give importers of the cheaper grades of such articles opportunities of bringing into India wires and cables of inferior quality which may be a source of danger to life and property, and of misleading purchasers into thinking that wires bearing statements such as "Guaranteed up to Association Standard," are up to the Standards of the Cable Makers' Association.

5. There can be no doubt that such practices should be prevented so far as possible and my Committee suggest for the favourable consideration of the Government of Bombay that the Government of India should be moved to amend the Merchandise Marks Act so that the testing of such wires and cables by the local Electrical Officer will not be *ultra vires* of the Act.

6. So far as my Committee are aware, no objection has been raised by any responsible body to the practice of testing the wires and cables and they are of opinion that, if there be no technical reason why the Act should not be amended on the lines suggested, then it should be so amended as early as possible in order to remove the potential source of danger to life and property that exists under the present conditions.

No. 7329-G. of the 31st May 1923.

**From the Government of Bombay (Revenue Department),
to the Chamber.**

Discontinuance of the testing of certain wires and cables.

I am directed by the Governor in Council to inform you that your letter No. 1235-133, dated the 17th May 1923, on the subject mentioned above, has been forwarded for the consideration and orders of the Government of India.

No. 7329-G of the 26th July 1923. .

**From the Government of Bombay (Revenue Department),
to the Chamber.**

*Discontinuance of the testing of certain wires and
cables.*

In continuation of the letter from this Government No. 7329-G, dated 31st May 1923, on the subject mentioned above, I am directed by the Governor in Council to state that you will see from Government letter No. 13475, dated 9th November 1917, addressed to your Chamber that an identical proposal

was considered by the Government of India in 1917, and it was then held that there was no necessity for any legislation on the lines proposed either from the point of view of the customs and merchandise marks laws or on the ground of public safety. The question was again examined by the Government of India in 1918 when, on the recommendation of the Electrical Adviser to the Government of India after discussion at the third Electrical Conference, it was again decided that special legislation on the lines proposed was not justified. The Government of India have once more given the matter their careful consideration and they regret that they see no reason to modify their previous decision.

No. 1867/133 of the 15th August 1923.

From the Chamber to the Government of Bombay (Revenue Department.)

Discontinuance of the testing of certain wires and cables.

I have the honour to acknowledge the receipt of your letter No. 7329-G, dated the 26th July 1923, in which you reply to my letter No. 1235/133, dated the 17th May 1923, on the subject noted above.

2. In your letter you state that a proposal identical to the one put forward in my letter of the 17th May 1923, was considered by the Government of India in 1917 and again in 1918, and on both occasions Government held that there was no necessity for any legislation on the lines proposed, and that they have again given the matter their careful consideration and regret that they see no reason to modify their previous decision.

3. In reply, I am to submit that the proposal put forward in my previous letter was different to those that were considered by the Government of India in 1917 and 1918.

4. During 1917 the Government of India was asked to undertake legislation to the effect, first that all wires and cables sold in India should be labelled and sealed, and secondly that foreign countries would find it impossible to send inferior cables and wires into this country labelled in a manner such

as to deceive purchasers into believing that they were buying goods manufactured in accordance with well-known English standards. A similar proposal was put forward in 1918. Those proposals were not accepted, but in 1919 the Government of India issued orders to the following effect: (*vide* letter No. 2697, dated 5th May 1919, from Government of India, Department of Commerce and Industry, which accompanied letter No. 6220, dated 20th June 1919, from the Government of Bombay, Revenue Department, to the Bombay Chamber of Commerce).

The letters "C. M. A." or the word "Association" were to be regarded as false trade descriptions if used on foreign cables or wires, even though such wires were accompanied by a counter-indication of origin. Such statements as the following :—

"Guaranteed equal in all respects to C. M. A. products of similar grade," or

"Guaranteed up to Association Standard "

might, however, be permitted on wires and cables manufactured by non-members of the British Cable Makers' Association provided the goods were thereby correctly described; and in order to ensure that goods so marked were correctly described, instructions were issued to the Government of Bombay's Electrical Officer to test any samples that might be sent to him by the Customs Authorities.

5. The testing of the cables as enjoined in the orders cited above provided, in my Committee's opinion, a necessary safeguard against the importation of inferior cables under false trade descriptions. So far as my Committee are aware no objection has been raised by any responsible body to the practice of testing the cables, but at the beginning of the year the Government of India happened to discover a technical legal objection to the practice it was *ultra vires* of the Indian Merchandise Marks Act—and then ordered that the testing should be discontinued (*vide* letter No. 762 from the Government of India, Department of Commerce, to the Government of Bombay, dated the 1st February 1923). The point I am to emphasise is that it appears from the Government of India's

letter that the testing of the cables was discontinued, not because of any substantial objection to it, on the part of either Government or Commerce, but merely because of a technical legal difficulty.

6. In the opinion of my Committee the proper course of action in those circumstances was not, as the Government of India had done, to cancel their orders of 1919 and thus do away with a very necessary safeguard, but, as suggested in my previous letter, to amend the Merchandise Marks Act so that the testing of the cables would not be *ultra vires* of the Act. The desirability of testing the wires and cables is, in my Committee's view, very great and was admitted by the Government of India in 1919 when they issued the orders to the Electrical Officer to test the cables that were submitted to him. In conclusion, therefore, I am to request you to move the Government of India to reconsider this matter.

No. 7329-G. of the 13th September 1923.

**From the Government of Bombay (Revenue Department),
to the Chamber.**

Discontinuance of the testing of certain wires and cables.

With reference to your letter No. 1867/133, dated 15th August 1923, on the subject mentioned above, I am directed by the Governor in Council to state that the orders of the Government of India in the matter already communicated to your Chamber appear to be final.

APPENDIX L-1.

IMPORT DUTY ON RAILWAY MATERIAL.

Dated the 10th May 1923.

**From Messrs. Marshall Sons & Co. (India), Ltd., Bombay,
to the Chamber.**

We understand that the High Court has recently ruled that goods imported from home by the Railway Companies

are not subject to payment of Customs Duty coming into India, the result of this is that instead of the Railway Companies purchasing goods through us either from our stocks in Bombay, or for forward delivery they will in future import direct from England, so as to overcome the Customs Duty which of course we have to pay on imported goods.

As this is likely to mean very serious loss of business to us, we shall be glad to have your opinion as to whether in the case of goods imported by us for stock, and subsequently sold to the Railway Companies we can claim a refund from the Customs.

No. 1189/197 of the 10th May 1923.

From the Chamber, to Messrs. Marshall Sons & Co. (India), Ltd., Bombay.

I am in receipt of your letter, dated the 10th May 1923, in which you state that you understand that the High Court recently ruled that goods imported from England by the Railway Companies are not subject to Customs duty when coming into India.

2. I have not heard of the ruling you mention; could you let me have further particulars, in particular what authority or regulation was quoted in its support. It appears to be at variance with the enclosed extract from the Import Tariff Schedule issued on December 22nd, 1922.

No. A. I. G/9989 of the 15th May 1923.

From Messrs. Marshall Sons & Co. (India), Ltd., Bombay, to the Chamber.

We thank you for your letter of the 10th instant 1189/6, and in reply, we think the only information we can give you is that the ruling is conveyed in the judgment made on the 5th April 1923 by the High Court in an action which we understand was held in Bombay, *The Secretary of State vs. The G. I. P. Ry.*

The point is, that the G. I. P. Ry. have been claiming for some time that they should get the same treatment as a State Railway and not pay Customs duty, and the action seems to have been declared in their favour; but it is, of course, subject to appeal by the Government.

We have seen the Secretary of the G. I. P. Ry. and laid our point before him that if they purchase machinery from stock in Bombay the Customs should make a refund of the customs duty; but he informs us that he understands that they would not do this as it is only if the machinery is actually purchased through the Home Agents. However, it is, of course, to the interest of the Railway Companies that they should be able to purchase materials in India from stock instead of having to import through the Home Agents in which case, delivery could not be made in under about six months, and we understand that they are perfectly willing to help us to the full extent of their powers in any application we make that duty on goods bought in India should be refunded.

No. G 4950 G.R. of the 17th May 1923.

From Messrs. Richardson & Cruddas, Bombay, to the Chamber.

We have been informed that the Railway Companies in India have recently been granted a concession under which they are allowed to import their requirements free of Customs duty.

We should be very grateful if you could enquire into this and let us know the result. If it is true then it would appear to be a most unfair arrangement and we trust the Bombay Chamber of Commerce will lodge a very strong protest to Government. Certain firms like ourselves are very largely dependent upon the railways for the purchase of hardware, etc. and any privilege granted to the Railways for the importation of their requirements would be extremely hard upon the Hardware Merchant. The Railways are a money-making undertaking and it seems difficult to see why they should be granted privileges over the heads of other business concerns.

Trusting you will be able to make enquiries as to whether this actually is the case or not and that you will let us know the result of your investigations.

No. 1254/197 of the 21st May 1923.

**From the Chamber to Messrs. Richardson & Cruddas,
Bombay.**

Import Duty on Railway Materials.

In reply to your letter, No. G. 4950/G. R., dated the 17th May, on the above subject, I am directed to inform you that enquiries have been made from the Chamber's Solicitors and the Great Indian Peninsula Railway Company regarding your statement that Railway Companies have been allowed to import goods free of import duty, and that you will be informed of any further action that the Chamber may take in this connection.

No. 1252/197 of the 21st May 1923.

**From the Chamber to Messrs. Craigie, Blunt & Caroe,
Bombay.**

I am directed to send you the enclosed copy of correspondence that the Chamber has interchanged with Messrs. Marshall Sons & Co. (India), Ltd., on the subject of Import Duties on Railway material.

You will observe that Messrs. Marshall & Co. state that a judgment was given on the 5th April, in the Bombay High Court to the effect that goods imported from England by the Railway Companies are not subject to Import Duty.

I am to say that my Committee would be very pleased if you would be so kind as to send me a copy of the judgment given by the High Court if you have a copy in your possession. My Committee would also be very grateful if you would furnish them with any other information that may be of assistance to them while considering the questions raised by the High Court's ruling.

No. 1251/197 of the 21st May 1923.

From the Chamber to the Agent, G. I. P. Railway, Bombay.

I am directed to send you the enclosed copy of correspondence that the Chamber has interchanged with Messrs. Marshall Sons & Co. (India), Ltd., on the subject of Import Duties on Railway material.

You will observe that Messrs. Marshall & Co. state that a judgment was given on the 5th April, in the Bombay High Court to the effect that goods imported from England by the Railway Companies are not subject to Import Duty.

I am to say that my Committee would be very pleased if you would be so kind as to send me a copy of the judgment given by the High Court if you have a copy in your possession. My Committee would also be very grateful if you would furnish them with any other information that may be of assistance to them while considering the questions raised by the High Court's ruling.

No. 31 P. S. of the 25th May 1923.

From the Agent, G. I. P. Railway, Bombay, to the Chamber:

With reference to your letter, No. 1251/6 of 21st May 1923, I am directed to suggest that the Chamber might defer consideration of the matter until it is known whether the Secretary of State intends to appeal or not against the decision of the High Court.

2. It is regretted that we have not a spare copy of the judgment.

Dated the 25th May 1923.

From Messrs. Craigie, Blunt & Caroe, Bombay, to the Chamber.

We beg to acknowledge the receipt of your letter, No. 1252/6 of the 21st instant, together with the copy correspondence which accompanied it.

It appears from the correspondence, which accompanied your letter, that Marshall Sons & Co. (India), Ltd., state that a judgment was given on the 5th April, in the Bombay High Court to the effect that goods imported from England by the Railway Companies are not subject to import duties.

Messrs. Marshall Sons & Co. (India), Ltd., are not quite correct in their facts. A judgment was given by the High Court, consisting of Sir Norman Macleod, Chief Justice, and Mr. Justice Crump, on the 5th April last, in a suit by the Secretary of State for India *vs.* the Great Indian Peninsula Railway Company which will be found reported in Vol. 25 of the Bombay Law Reporter at page 470.

The decision in that suit was that stores purchased abroad and imported into India by the Great Indian Peninsula Railway Company for the use of the undertaking are exempt from Import Duty under Section 20 of the Sea Customs Act, 1878, and for the following reasons.

The G. I. P. Railway Company was incorporated by an Act of Parliament (11th and 12 Vic. Chap. 83).

By another Act (63 and 64 Vic. Chap. 38) it was provided that from and after the 30th of June 1900 divers railways and works, and in addition divers other property, be transferred to, and vested in, the Secretary of State for India in Council.

On the 21st December 1900, as provided in 63 and 64 Vic. Cap. 38 Section 72, a contract was entered into between the Secretary of State for India and the Great Indian Peninsula Railway Company, under which the Railway Company undertook to maintain, manage and work the railway system. The Railway Company accordingly undertook the management and working of the railway system, and has managed and worked it to this day under that contract.

For the use of the undertaking, the Railway Company purchased stores abroad, and imported them into British India. The Secretary of State demanded customs duty on goods so imported. The Railway Company denied liability on the ground that the goods at the date of importation belonged to Government, and not to the Railway Company.

The suit was a friendly suit in the form of a special case submitted for the opinion of the High Court under Order 36 Rule 1 of the Civil Procedure Code.

The decision of the Court was in favour of the Railway Company.

The facts, and the reasons for the decision, appear from the judgment of Sir Norman Macleod, with which Mr. Justice Crump concurred, and of which we send to you a copy herewith as desired.

The decision of the Court is, in our opinion, correct, but it is a decision which will only apply to goods imported from abroad by the G. I. P. Railway, or by any other Railway Company, the undertaking and property of which belongs to the Secretary of State for India, but is worked and managed by the Railway Company under contract with the Secretary of State.

THE SECRETARY OF STATE FOR INDIA

vs.

GREAT INDIAN PENINSULA RAILWAY.

Judgment.

MACLEOD C. J.—This is a case stated by the agreement of the parties for the opinion of the Court under Order XXXVI Rule 1. The question is whether stores purchased and imported by the defendant company into India for the use of the undertaking are at the time of importing goods belonging to Government. If the answer is in the affirmative, it has been agreed that the plaintiff shall refrain from levying or seeking customs duty upon such stores. The defendant company was incorporated by Statute 11 and 12 Vic. C. 83 instituted an Act for incorporating the Great Indian Peninsula Company and for other purposes contained therein.

Statute 63 and 64 Vic. C. 38 was passed to provide for the vesting of the railways and other property of the Great Indian Peninsula Railway Company in the Secretary of State for India in Council and by Section 4 it was provided that as and from June 30, 1900, the

Railways, works, and divers other property of the Company should be transferred to and vested in the Secretary of State.

Section 72 enabled the defendant company to enter into and conclude with the Secretary of State any contract or contracts for the maintenance, management and working of the Great Indian Peninsula Railway Company. Accordingly, on December 21, 1900, the defendant company entered into an agreement with the plaintiff a copy of which is annexed to the case stated. I will refer to the pertinent clauses, omitting any mention of the Indian Midland Railway system as unnecessary.

Under clause 5 the plaintiff was to hand over to the defendant company for the purposes of the contract of the Great Indian Peninsula Railway system together with the rolling stock, plant and machinery belonging thereto.

Under clause 6 the plaintiff was to deliver to the defendant company for the purpose of the undertaking all stores belonging to the Great Indian Peninsula Railway system excepting such as on the representation of the company the plaintiff might adjudge to be unserviceable and surplus stores.

Under clause 10 the company was to keep the undertaking in good repair, in good working condition and fully supplied with rolling stock, plant and machinery to the satisfaction of the plaintiff, and on their failure to comply with any requirements of the plaintiff, the plaintiff might enter on the undertaking to execute such requirements.

Under clause 22 all stores required by the undertaking were to be conveyed by the company at rates to be approved by the plaintiff, not being less than the actual cost of conveyance.

Under clause 22A all capital monies required for the undertaking were at the option of the plaintiff to be provided by him or were to be raised by the company by the issue of debentures or debenture stock in such manner and on such terms as to interest or otherwise as the plaintiff might determine.

Under clause 23 all monies received by the company in India in respect of the undertaking were to be paid without deduction into the Treasury and all monies received elsewhere than in India were to be paid into the Bank of England to the plaintiff's account.

Under clause 24 all monies required by the company for the undertaking were to be supplied by the plaintiff.

Under clause 25 all monies expended by the company on account of the undertaking were from time to time to be stated and submitted to the plaintiff for his sanction.

Clause 33 provided for accounts to be delivered of all stores in hand or in the course of delivery on July 1, 1900, and for the valuation

thereof. Thereafter half yearly accounts were to be furnished of all stores in hand and of all stores used since the last accounts were made, the value of stores used to be charged to the general working expenses or the capital account as the case might require in accordance with the provisions of the agreement in that behalf.

Clause 34 provided for the revaluation from time to time of stores in hand.

By clause 37 the company was prohibited during the continuance of the contract from acquiring any property in India without the sanction of the plaintiff.

Clause 39 provided for the application of the nett receipts of the undertaking.

By clause 60 the company was to give possession to the plaintiff on June 30, 1925, of the undertaking, together with the rolling stock, plant and machinery belonging thereto and all stores in hand or in course of delivery on that day. The plaintiff was to pay to the company the amounts paid up or credited as paid up on all shares and stocks or stock then in existence in the company's new capital which the company might have issued for the purpose of the contract with the sanction of the plaintiff.

It is sufficient for this case to say that the surplus arising from the excess of receipts over payments in any year commencing on July 1 and ending on June 30 were to belong as to 19/20 to the plaintiff and as to 1/20 to the company.

Now it will be seen that the whole of the undertaking became the property of the plaintiff on July 1, 1900, and was handed back to the defendant company only for the management and working thereof according to the terms of the contract. On the termination of the contract everything had to be returned to the plaintiff. All receipts had to be paid into the treasury in India, or into the plaintiff's account with the Bank of England. The company, therefore, possessed no property of its own. All the monies required for the purpose of the undertaking had to be supplied by the plaintiff and no expenditure could be made without the plaintiff's sanction. It is difficult then to see how stores purchased in England or abroad became the property of the company. There can be no distinction between the stores, the cost of which could be debited to working expenses, and stores, the cost of which would be debited to capital account. If the plaintiff's contention were correct, new rolling stock imported for the moment the property of the company, but it belongs to the plaintiff as soon as it is taken into use or even as soon as the customs duty has been paid. In other words, stores imported are to be considered as belonging to the company for the purpose of paying customs duty and for that alone.

In my opinion such a contention cannot be sustained.

I would answer the question propounded in the concise statement in the affirmative.

CRUMP J.—I agree.
(25, Bombay Law Reporter, 470.)

No. 1298/197 of the 28th May 1923.

**From the Chamber to Messrs. Marshall Sons & Co. (India),
Ltd., and Messrs. Richardson and Cruddas,
Bombay.**

Import Duty on Railway Materials.

In continuation of the correspondence resting with my letter No. 1253/197, dated the 21st May 1923, I am directed to enclose herewith for your information and favour of any remarks you may wish to place before my Committee, a copy of a letter from the Chamber's Solicitors, Messrs. Craigie, Blunt and Caroe, on the subject noted above, and also a copy of the judgment given by the High Court in that connection.

Dated the 30th May 1923.

**From Messrs. Marshall Sons & Co. (India), Ltd., Bombay,
to the Chamber.**

We have to acknowledge receipt of your letter of the 28th instant No. 1298/197 regarding the import duty on railway materials, together with enclosures, for which please accept our thanks.

In our opinion, this matter is one of vital importance, and we think should be brought to the notice of your Committee, and should also be taken up with the Associated Chambers. We would suggest that the matter is too important to be decided definitely by the High Court of Bombay, and that the Chamber should use their influence towards the lodging of an appeal; but in any case, we think that if goods purchased by the railways from home are to be imported into India free of customs duty, it should follow,

ipso facto, that goods imported by a firm and sold to the railway companies, should be subject to a customs rebate, exactly in the same way as customs rebate can be obtained on goods imported by us and sold to places out of India, such as Mesopotamia.

We should be glad to hear in due course what action your Committee decide to take.

No. G. 5586/G.R. of the 4th June 1923.

From Messrs. Richardson and Cruddas, Bombay, to the Chamber.

We thank you for your letter No. 1298/197 of the 28th ultimo, with which you send us a copy of a letter from Messrs. Craigie, Blunt & Caroe, and also a copy of a High Court Judgment.

It is very good of you to take so much trouble and we are extremely grateful. We have read the judgment given by Sir N. Macleod and can only suggest that the Chamber should bring pressure to bear upon Government with a view of legislation being introduced so as to reverse the situation and compel all Railways to pay duty.

It obviously was not intended that the G. I. P. Railway should be allowed to import free, or they would not have taken 23 years to discover this right.

The Railways are essentially money-making concerns or are intended to be so and it is grossly unfair that they should be allowed free importation.

If there is anything the Chamber can do in this matter we feel that it will be very strongly in the interests of a large number of the members.

No. 1360/197 of the 7th June 1923.

From the Chamber to the Bengal Chamber, Calcutta.

On the 5th April last a judgment was given in the Bombay High Court to the effect that stores purchased in England

by the Great Indian Peninsula Railway Company may be imported by them into India free of Import Duty.

2. Two members of the Chamber, importers of Railway material, have pointed out to my Committee that one consequence of the ruling will be that the Railway Company will purchase stores in England instead of buying them in India with consequent hardships to merchant importers of such stores, and they have asked my Committee to take action on their behalf. Two lines of action have been suggested, (a) to press for a reversal of the judgment and, (b) to move Government to allow a refund of import duty on stores sold to those Railway Companies that are permitted to import their purchases free of duty.

3. I enclose a copy of the judgment given in the High Court and of a letter from the Chamber's Solicitors, which explain the matter more clearly, and which may be of interest to your Committee.

4. The matter, which at the present moment is under the consideration of my Committee, is one of interest throughout India since as you will observe the judgment presumably applies to all Railways that are State-owned and Company-managed, and I am to say that my Committee would be glad to learn whether or not it has been brought to the notice of your Committee, and in either case they would be very pleased if you would be so kind as to favour me with the opinion of your Committee in this connection.

No. 1432/197 of the 13th June 1923.

From the Chamber to the Government of India
(Department of Commerce), Simla.

I have the honour to draw your attention to a judgment recently promulgated in the High Court, Bombay, in an action by the Secretary of State for India *versus* the Great Indian Peninsula Railway, in which it was held that goods imported from overseas by the State Railways under Company management, are not subject to the payment of Customs Duty on arrival into India.

2. I am to state that my Committee have received representations from certain Hardware Merchants in India, who state that as a result of the judgment, the Railway Companies instead of purchasing goods from such firms, from stock or for forward delivery, will, in future, import direct from England in order to save the amount of the Customs Duty on the purchase, and that this inevitably will mean a very serious loss of business to them and to all firms whose business is of a similar nature.

3. I am to say that at this juncture my Committee do not desire to state the various arguments for and against the point of view put forward by Hardware Merchants, but that they would esteem it a favour if the Government of India would inform them whether this aspect of the case has as yet been presented to them, and if so, whether they contemplate any action in order to relieve the class of business which will be so materially affected.

4. I am, in conclusion, to draw the attention of the Government of India to the recommendation of the Indian Fiscal Commission, as set out in paragraph 285 of their report, that Import Duty should be charged on goods belonging to the Government and to point out that if that recommendation is given effect to by the Government, then the hardship imposed on Hardware Merchants by the judgment alluded to above would be removed.

5. I am to request the favour of an early reply.

No. 3488 of the 23rd June 1923.

**From the Government of India (Department of Commerce),
Simla, to the Chamber.**

I am directed to refer to your letter No. 1432/197, dated the 13th June 1923, enquiring

- (1) whether the effect of the above decision on Hardware Merchants has been brought to the notice of the Government of India, and

- (2) if so, whether they contemplate any action in order to relieve the class of business which will be so materially affected'

and to state that it has been decided to lodge an appeal against the judgment of the Bombay High Court which you quote.

No. 2033 of the 9th July 1923.

From the Bengal Chamber, Calcutta, to the Chamber.

I am directed to acknowledge the receipt of your No. 1360/197, dated 7th June 1923, with reference to the recent case in which the Bombay High Court held that stores bought in England by the Great Indian Peninsula Railway Company may be imported by them into India free of import duty.

2. The question which the Court, by agreement between the parties, was asked to answer was whether goods purchased and imported by the G. I. P. Railway Company into India for the use of the undertaking were, at the time of their importation, goods belonging to the Government. The Court answered this question in the affirmative; and the result is that the goods, being declared to be the property of the Government, will not be liable to import duty on their importation into India.

3. You ask for the opinion of this Chamber as to: (a) whether the Government should be urged to appeal against the decision; and (b) whether the Government should be urged to allow a refund of import duty on stores sold by merchants in India to those railway companies that are permitted to import their purchases free of duty. In reply I am to say that, in the opinion of the Committee of this Chamber, the Government should be urged to appeal against the judgment; and that, if the appeal fails, they should be pressed to allow a refund of import duty on stores sold by merchants in this country to those railway companies that are permitted to import their purchases free of duty.

4. The reasons which have influenced the Committee in coming to these conclusions may be stated as follows :—

- (a) That there is a danger of the decision leading to a material reduction in the efficiency of the working of the railways. At present a considerable percentage of stores required by the railways are paid for from the emergency grant which can be spent in this country without reference to the Home Board of Directors, or to the Railway Board. The firms established in India deliberately stock suitable articles, and the railway engineers secure their requirements from these firms about fifteen months earlier than they would be able to do in the ordinary way, for the latter means that the indent first goes from the Department to the Agent, thence to the Railway Board, thence back to the Agent, and from him back to the Department, and eventually home to the Board of Directors, by whom the order is placed with the home manufacturer ;
- (b) that the decision will afford political sentiment in India a further excuse for maintaining that everything is being done to stimulate the placing of orders with the United Kingdom manufacturers ;
- (c) that, as the railways are commercial undertakings, it is wrong that the general public should be asked to accept their share of the Customs burden. It is easy to see that this will be a factor of considerable importance at no far distant date, when the railway budget will be separated from the general budget.

No. 1704/197 of the 19th July 1923.

From the Chamber to the Bengal Chamber, Calcutta.

Import duty on stores for the G. I. P. Railway.

I am directed to request you to convey to your Committee my Committee's appreciation of the courtesy afforded them

in your letter No. 2033, dated the 9th July 1923, in which you set out your Committee's opinion on certain questions connected with the recent ruling given by the Bombay High Court on the above subject.

I am also to inform you that the Government of India have decided to lodge an appeal against the ruling and accordingly my Committee have decided to take no further action until the result of the appeal is known.

APPENDIX L-2.

ROUTING OF TRAFFIC BY RAILWAYS.

No. 297/76 of the 5th February 1923.

From the Chamber to the Railway Board, Delhi.

I am directed to invite attention to Regulation 21, Part II of the Regulations of the Indian Railway Conference Association which provides, *inter alia*, that—

“In the absence of mutual agreement between particular Railways as to the routing of traffic or of specific instructions in writing from the sender or his authorised agent:—

(i) and (ii) All traffic shall be booked and carried by the cheapest route.....etc.

(iii) When goods traffic is required to be booked and carried by other than the cheapest route the sender or his authorised agent must write and sign instructions in the forwarding note to the effect that the consignment is to be forwarded *via*.....a dearer route and a suitable remark must be entered in the invoice and receipt which will leave no doubt that the dearer route was selected by the sender. In the absence of such a remark on the invoice, freight will be apportioned by the cheapest route and the apportionment by this route will be final.

(iv) In the case of a route being partially closed, the endorsement, as above required, is necessary but is not required if the route is entirely closed, the cheapest route under this rule being the cheapest open route.

2. I am to submit that, in the opinion of my Committee, clause (iv) of the rule above cited is, for obvious reasons, highly detrimental to the interests of trade generally, and to point out that, in terms of this clause, railways, finding it by no means incumbent on them to inform a consignor as to the closing of the cheapest route, leave him in total ignorance of the fact with the result that in a great majority of cases a consignment is booked by a dearer open route without the consignor being afforded an opportunity of deciding as to whether the conditions under which he has entered into the business in question allow him to accept the dearer route and without giving him an alternative of possibly delaying the despatch of his consignments until such time as the normal cheapest route may be re-opened.

3. I am, moreover, to state that the above clause, in the opinion of my Committee, confers an arbitrary power on railway administrations in so far as it permits them indiscriminately to repudiate claims for refunds arising out of wrongful booking by the dearer route and, furthermore, bestows on them the opportunity of condoning mistakes made by their station masters in this connection, a majority of whom, my Committee understand, are not as well posted as to correct routes and rates as the public have a right to expect in the case of officials of their standing.

4. In support of my Committee's contention in the foregoing regard I am to instance a case in point, the details of which have been furnished by a member of this Chamber, viz.:—A consignment of 300 bags of linseed was tendered by a consignor at Kerakat Station on the B. & N. W. Railway for despatch to the Grain Depot, Bombay; no route was mentioned in the consignment note and in the ordinary course of events the goods should have been routed by the cheapest favourable route, viz., Allahabad City and Jubbulpore at a rate of Re. 0-14-1 per maund. In actuality, however, the goods were routed *via* Jaunpur, Cawnpore and Ujjain at a rate of Rs. 1-7-10 per maund, the dearest route available, and Railway Receipt No. 900, /d/21-4-1921, was granted for the same.

The consignor was not informed of the closing of the cheapest route nor was any endorsement taken from him on

the consignment note or on the Railway Receipt, and when, in due course, a claim for refund was submitted for the difference between the cheapest route and the one actually charged the claim was repudiated on the ground that the cheapest route *via* Allahabad City and Jubbulpore being closed at the time the consignment was booked by the cheapest route open and that, consequently, no endorsement from the consignor was necessary in terms of Rule 21, Clause (iv). I am, however, to draw your attention to the fact that the various routes presumably available for the consignment of these goods from Kerakat to Bombay at the time of this incident were as under :—

<i>Routes.</i>	<i>Rates per maund.</i>		
	Rs. a. p.		
<i>Via</i> Allahabad City and Jubbulpore.. ..	0	14	1
„ Allahabad and Manikpur	0	14	2
„ Jaunpur, Cawnpore and Itarsi	0	15	9
„ Benares Cantt., Cawnpore and Itarsi	1	0	8
„ Shahganj, Cawnpore and Itarsi	1	1	5
„ Cawnpore and Itarsi	1	1	8
„ Jaunpur, Cawnpore and Ujjain	1	7	10

5. I am accordingly to request, with all the emphasis at the command of my Committee, that this matter shall be most carefully examined by the Railway Board and to suggest, for the Board's consideration in that connection, that the most equitable method of redress would appear to be for the Railway Board to issue a ruling deleting the clause in question, thus making it incumbent on the Railways to obtain the sender's endorsement on the forwarding notes whenever it is found necessary to select a dearer route than the one originally selected by the consignor.

6. My Committee will be grateful if they may be accorded an early reply to the representation contained in this letter as the subject is one of considerable importance to the trading interests represented by this Chamber.

No. 532 T/18 of the 12th February 1923.

From the Railway Board to the Chamber.

I am directed to acknowledge the receipt of your letter No. 297/76, dated the 5th February 1923, and to state that the matter is receiving attention.

No. 532-T./18 of the 21st February 1923.

From the Railway Board, Delhi, to the Chamber.

In continuation of Railway Board's letter No. 532-T./18, dated the 12th February 1923, I am directed to state that the Indian Railway Conference Association propose to revise, from 1st April 1923, clause 21 of Conference Regulations, Part II, to the effect that it will be incumbent on the Railways to obtain the sender's endorsement on the forwarding notes whenever it is found necessary to select a dearer route than the one originally selected by the consignor.

No. 574/76 of the 2nd March 1923.

From the Chamber to the Railway Board, Delhi.

Routing of traffic by the cheapest route.

I have the honour to acknowledge the receipt of your letter No. 532-T./18, dated the 2nd March 1923, on the above subject in which you state that the Indian Railway Conference Association propose to revise, from the 1st April 1923, clause 21 of the Conference Regulations, Part II, to take effect that it will be incumbent on the Railways to obtain the sender's endorsement on the forwarding notes whenever it is found necessary to select a dearer route than the one originally selected by the consignor.

2. In reply I am to state that my Committee are gratified to note that the Indian Railway Conference Association propose to revise the clause in the manner you indicate.

3. I am, however, to draw your attention to clause 21 (I) and (II) which provides that "all traffic shall be booked and carried by the cheapest route.....and etc." My

Committee consider that the words "cheapest route" should not be changed and that the clause should be revised to the effect that it will be incumbent on the Railways to obtain the sender's endorsement on the forwarding notes whenever it is found necessary to select a route other than the *cheapest route*, and not, as foreshadowed in your letter, whenever it is found necessary to select a route dearer than the one *originally selected* by the consignor.

4. My Committee appreciate the fact that the cheapest route is virtually selected by the consignor when he signs the forwarding notes without any endorsement to the contrary, but, they are of opinion that the objections to the present regulations, set forth in their previous letter on this subject, will be more satisfactorily removed if the revised regulations are worded as recommended above.

No. 532 T./18 of the 9th March 1923.

From the Railway Board, Delhi, to the Chamber.

With reference to your letter, dated the 2nd March 1923, I am directed to state that in Railway Board's letter No. 532 T./18, dated 21st February 1923, the actual wording of the revised clause 21 of the Conference Regulations was not quoted but only the effect of the proposed changes in the rules was intimated. I am to enclose herewith for the information of your Chamber a copy of the proposed clause 21 which it is intended to introduce from the 1st April 1923. It will be noticed that there has been no change in the present clause 21 (ii) except that it will be renumbered as 21 (i).

Proposed Clause.

21. In the absence of mutual agreement between particular railways as to the routing of traffic or of specific instructions in writing from the sender or his authorized agent.

- (i) Where the rates by two or more routes are equal, traffic may be booked and carried by the route most favourable to the railway on which it originates;

- (ii) All traffic, except passengers and their luggage, shall be booked and carried by the cheapest route unless the sender or his authorized agent writes and signs instructions on the forwarding note that the consignment is to be forwarded, *via*.....dearer route.
- (iii) When a sender or his authorised Agent selects a dearer route as provided for in (ii), above, a remark must be made on the invoice and receipt which will leave no doubt that the dearer route was selected by the sender. In the absence of such a remark on the invoice, freight will be apportioned by the cheapest route.
- (iv) When the cheapest route is partially closed, that is, when it is open only for particular descriptions of traffic carried for the public or restricted as to volume of traffic or number of wagons—traffic must be booked by the next cheapest route and the special written and signed instructions of the sender or his authorised Agent required by regulation 21 (ii) must be obtained and the endorsement provided for in regulation 21 (iii) must be made.
- (v) When the cheapest route is entirely closed for traffic carried for the public, such traffic must be booked by the next cheapest open route and the instructions and endorsement required by regulations 21 (ii) and 21 (iii) must be made.
- (vi) When owing to an interruption of through communication it is necessary to restrict the booking of traffic by any route, traffic booked before receipt of notice of restriction shall, when necessary, be diverted by the next shortest open route, fares and freight being collected from the public and divided by the route originally booked.

APPENDIX L-3.

CONCESSION IN RAILWAY FARES FOR COMMERCIAL TRAVELLERS ON M. & S. M. RAILWAY.

No. R-1/1322 of the 29th January 1923.

**From the Deputy Traffic Manager, M. & S. Railway Co.,
Ltd., Madras, to the Chamber.**

*Re. Concession Tickets to Representatives of Mercantile
Firms.*

With reference to my letter, No. R-1/1322, dated 29th August 1922, and your reply No. 1811/245 of 6th

October 1922, I have pleasure in enclosing herein 3 copies of the notice regarding the issue of 1st class concession tickets from 1st February 1923.

THE MADRAS & SOUTHERN MAHRATTA RAILWAY CO., LTD.

(INCORPORATED IN ENGLAND).

NOTICE

Circular Tickets for Mercantile Firms.

With effect from the 1st February 1923, first class tickets at reduced fares will be issued by the Madras and Southern Mahratta Railway to not more than four representatives of Mercantile Firms for journeys totalling 3,000 miles performed on business of their firm within six months in local booking only, i.e., between any two stations over the M. S. M. Railway system and not beyond, on production of a certificate in the following form signed by the Proprietor or Managing Director or Senior Partner of the firm :—

Form of Certificate.

I hereby certify that

(1)

(3)

(2)

(4)

is a representative of the firm of Messrs.
are representatives
 and guarantee that the concession allowed will be used by him only
them for journeys on the business of the firm.

.....
*Proprietor, Managing Director or
 Senior Partner.*

2. *Particulars of Concession.*—(i) Coupon books will be issued. Each book will consist of 600 coupons, each coupon permitting a journey of 5 miles; the total of 3,000 miles must be completed within 6 months.

(ii) The price of the book will be Rs. 300 or rupee one for every 10 miles of journey. Books will be issued by the Station Superintendent, Central Station, Madras, on production of the certificate referred to in para. 1 above and on payment of the value. The representative or representatives using the book should sign his name (s) on the
th ir cover.

(iii) Coupons are not transferable but must be used only on journeys connected with the business of the firm.

(iv) A coupon book can be issued from any date, and will be available for 6 months from the date of issue. For example, a book issued on 1st January will be available for use till midnight of 30th June and will be stamped with the date 30th June on the cover.

(v) (a) If the total journey of 3,000 miles is completed before 30th June, say, on the 15th June, another book can be issued on the 15th June which will be made available up to 14th December.

(b) If a fresh book is not purchased, and a journey is going to be undertaken for a distance more than that for which coupons are available, the difference in charges at full tariff fares for the distance not covered by coupons may be paid to the Booking Clerk who will issue an excess fare ticket for the entire journey in which case the journey must be commenced within the last day of availability of coupons.

(vi) (a) If, on the 25th June, there are still 40 coupons of 200 miles left and a journey of 250 miles is going to be undertaken, there is no objection to the representative or representatives using the 40 coupons from the book in use and the extra 10 coupons required from another book issued on 25th June and made available up to 24th December.

(b) If a fresh book is not purchased the difference in charges for 50 (250—200) miles at full tariff fares may be paid to the Booking Clerk who will issue an excess fare ticket for the entire journey in which case the journey must be commenced within the last day of availability of coupons.

(vii) The coupon book must be presented to the Booking Clerk when a ticket is required, without detaching any coupons from the book. Loose coupons, i.e., coupons detached from the book will not be accepted under any circumstances. If the coupon book is issued in favour of more than one representative, the representative undertaking the journey must obtain a ticket in the manner stated above.

(viii) The Booking Clerk will have the right to ask the holder to write his signature on a piece of paper and will compare it with his signature on the cover.

(ix) (a) The Booking Clerk will remove from the book the number of coupons necessary for each journey. He will be entitled to remove a coupon for every 5 miles or part of five miles, for example, for a journey of 202 miles, the Booking Clerk will remove 41 coupons.

(b) He will then issue a first class ticket to the station required, without cash payment ruling out the fare and writing on it in red ink the word "coupon" in big letters on the back of the ticket.

(c) The date of availability of the tickets issued under this concession will be the same as for ordinary tickets.

(d) Luggage as for ordinary tickets ; excess over free allowance at luggage rates.

(e) There will be no refund on unused or time-expired coupons. If a party travels only 2,600 miles in 6 months no refund will be made on the remaining coupons. Neither will refund be granted on unused or partly used first class tickets issued in exchange for coupons.

(f) Passengers found travelling on coupons, which have not been previously exchanged at a Booking Office for tickets, will be considered to be travelling without tickets and will be liable to the prescribed penalties.

No. 377/102 of the 15th February 1923.

From the Chamber to the General Traffic Manager, M. & S. M. Railway Company, Ltd., Madras.

I am directed to acknowledge the receipt of your letter, No. R.-1/1322, dated the 29th January 1923, and the accompanying three copies of a notice regarding the issue of 1st Class Concession Tickets.

2. In reply I am to state that my Committee consider that the issue of concession tickets in accordance with the scheme set out in the accompaniments to your letter is a progressive step and deserves the whole-hearted support of the commercial community.

3. I am also to inform you that my Committee propose to circulate copies of the notice explaining the details of the scheme to all the Members of this Chamber. For this purpose, they would be very greatly obliged if you will forward to this Office about 175 more copies of the notice in question.

4. There is, however, one condition governing the issue of the concession tickets that my Committee consider could be modified so as to render the tickets of greater use to firms without prejudicing the interests of the Railway Company. It is this. My Committee understand that the use of each book of coupons is limited to 4 specified representatives of a firm and that a firm wishing to make use of the concession for 3 representatives will have to purchase two books and so on ; but it appears to them to be an unnecessary and awk-

ward restriction that four specified representatives have to use the same book, as they may wish to travel in different districts simultaneously.

5. I am to suggest for your favourable consideration that this difficulty might be removed by smaller books of coupons being issued for the use of single individuals and to add that in my Committee's opinion the removal of the above mentioned restriction in this manner would very greatly enhance the value of the tickets to the general commercial community and the increase in their popularity so caused would well repay any slight administrative expenses involved in the issue of the smaller books of coupons.

No. R.-1/1322/22 of the 23rd February 1923.

From the General Traffic Manager, M. & S. M. Railway Co., Ltd., Madras, to the Chamber.

Circular tickets to Mercantile firms.

I beg to acknowledge receipt of your letter No. 377/102 of 15th instant, and in reply to forward herewith 20 copies of the notice. I regret I have no more copies to send you, but the conditions will appear in the next copy of the Time Tables which will be available shortly.

I thank you for your suggestion in paras. 4 & 5. It is not proposed to modify the present system of issuing concession tickets, until experience has shown that the concession is made use of extensively, but your suggestion will be borne in mind when a change in the system is found to be necessary.

It is hoped that the concession will in course of time be followed by other Railways, and in through booking.

No. 619/102 of the 8th March 1923.

**From the Chamber to the General Traffic Manager,
M. & S. M. Railway Co., Ltd., Madras.**

I directed to acknowledge, with thanks, the receipt of your letter, No. R.-1/1322/22, dated the 23rd February

1923, and the accompanying 20 copies of a notice on the subject of the issue of circular tickets to mercantile firms.

2. In reply I am to state that my Committee have noted that it is not proposed to modify the present system of issuing concession tickets until experience has shown that the concession is made use of extensively but that their suggestion in that connection will be borne in mind when a change in the system is found to be necessary.

3. I am also to inform you that the copies of the notice which accompanied your letter under reply will be distributed to the members of this Chamber who are most likely to make use of the concession.

APPENDIX M-1.

THE INLAND AND FOREIGN TELEGRAPH SERVICES.

No. 50-T.P.-51 of the 7th February 1923.

From the Karachi Chamber to the Chamber.

Karachi Telegraph Service.

I am directed to forward to you herewith a copy of a letter which my Committee have addressed to the Deputy Postmaster-General, Sind and Baluchistan, and to express the hope that your Committee will take steps to support the Karachi Chamber's representation on this most urgent matter.

No. 50 T.P.-50 of the 7th February 1923.

From the Karachi Chamber to the Deputy Postmaster-General, Sind and Baluchistan, Karachi.

I am directed to acknowledge receipt of your No. T.C.-6 of 30th January 1923 stating that the new copper wire from Ahmedabad to Bombay has been omitted from the revised programme of works for the financial year 1922-23, and that the high-speed wireless circuit between Karachi and Bombay has been abandoned.

In spite of the admittedly defective telegraph service between Karachi and Bombay, these two decisions, especially that respecting the new copper wire from Ahmedabad to Bombay, make it clear, as matters now stand, that no serious attempt is to be made in the near future to overcome the existing difficulties, and my Committee desires most strongly to protest against this policy, which it can only view as unsatisfactory and retrograde in the extreme.

The necessity of retrenchment wherever this can be effected without impairing efficiency is fully realized, but to retrench at the expense of important communications, which at certain times of the year are liable to cease to exist for all practical purposes, appears to my Committee to be a distinctly false form of economy.

Bearing in mind the heavy telegraph traffic which passes between Karachi and Bombay, the importance of this route as a source of revenue to Government would not seem to have received adequate or mature consideration prior to the decision to retrench in this direction. The present position is that the public pays for a normal service but only receives in return for this payment an exceedingly defective one.

None of the senior authorities in the Posts and Telegraphs Department who have visited Karachi during recent years have ever attempted to deny the hopelessly inefficient state of the Karachi-Bombay lines. The reasons for this state of affairs have been explained over and over again, and definite promises of something more than mere repair to existing communications have from time to time been made. The root of the trouble, as is well known to your department, can never be reached by the temporary measures at present taken to combat the effects of the weather and low insulation.

According to your T.C.-6 of 21st September 1922 provision had been actually made for the construction of the 200-lb. copper wire from Ahmedabad to Bombay, the erection of which, it was anticipated, would most probably be carried out during the current cold weather.

The cancellation of this work, after its urgency had been realised and funds actually set aside for the purpose is viewed by my Committee with feelings approaching amazement, and I am directed to request you to be good enough to do all that lies within your power to obtain a reversal of this decision.

No. 441/110 of the 22nd February 1923.

From the Chamber to the Karachi Chamber.

I am directed to acknowledge the receipt of your letter No. 50-T.-P. 50, dated the 7th February 1923, regarding the Karachi telegraph service.

2. In reply I am to state that any representation having for its object the expediting of the inland telegraph service, will always have my Committee's support and sympathy. It is, however, their experience that it is impossible in the majority of cases to obtain an answer by telegraph within the course of one day either from Calcutta Karachi or Madras, and they feel that it may perhaps be invidious to protest in regard to one route and not in respect of the other main inland routes, which, in the view of my Committee, are at the present moment more or less equally inefficient.

3. Accordingly I am to request that my Committee may be favoured in due course with information as to how the Karachi-Bombay telegraph service compares with the Karachi-Calcutta and Karachi-Madras service. My Committee are of opinion that a reference in this connection might usefully be made to the Associated Chambers of Commerce of India and Ceylon, so that, a representation by that body in respect of the general delays on all inland telegraph routes might be made to the proper authorities.

No. 50-T.P.-56 of the 22nd February 1923.

From the Karachi Chamber to the Chamber.

In continuation of my letter No. 50-T.P.-51 of the 7th instant I am directed to forward to you herewith a copy of a letter from the Deputy Postmaster-General, Sind and Baluchistan, together with this Chamber's reply thereto, and again to express the hope that your Committee will take steps to support the Karachi Chamber's representation.

Dated the 9th February 1923.

**From the Deputy Postmaster-General, Sind and Baluchistan,
Karachi, to the Karachi Chamber.**

I have the honour to acknowledge receipt of your letter No. 50-T.P.-50, dated the 7th February 1923 and to inform you that it is not now correct to say that the service between Bombay and Karachi is admittedly defective. A very great improvement has recently been effected in the communications between Bombay and Karachi by the introduction of increased Baudot working and the addition of qualified staff.

It is of course true that improvement and increased reliability would be obtained by the additional facilities not under discussion, but as it has been decided by higher authority that during these times of stringency, the expense of the high-speed wireless and the extra copper wire is not justified, these extra facilities must await better times.

I am however alive to the needs of Karachi for efficient telegraph communication with Bombay. I have already represented matters to the Director-General of Posts and Telegraphs, and am now communicating to him the contents of your letter under reply. You may feel assured that I shall continue to impress on the Director-General that further improvements should be effected in the Bombay-Karachi communications as soon as funds become available.

No. 50-T.P.-55 of the 22nd February 1923.

From the Karachi Chamber to the Deputy Postmaster-General, Sind and Baluchistan, Karachi.

Karachi Telegraph Service.

I am directed to thank you for your letter, dated the 9th instant, on the above subject, and in reply to inform you that while this Chamber is prepared to agree with your views in regard to the high-speed wireless, it is of opinion that the expense of the extra copper wire is amply justified, this being essential to the maintenance of efficient communication between Karachi and Bombay.

No. 50-T.P.-60 of the 8th March 1923.

From the Karachi Chamber to the Chamber.

I am directed to acknowledge receipt of your letter, dated the 22nd ultimo, and in reply to inform you that the Karachi-Bombay telegraph service compares most unfavourably with the Karachi-Calcutta and Karachi-Madras services, and my Committee considers it should form the subject of a special and separate representation. The traffic, moreover, between Karachi and Bombay is much the heaviest of the three routes mentioned, and a good service is essential. My Committee, however, is willing to join also in a reference to the Associated Chambers of Commerce of India and Ceylon in respect of the general delays.

Dated the 8th March 1923.

**From the Chairman, Associated Exchange Banks,
Bombay, to the Chamber.**

For the information of your members, I beg to forward herewith copy of my letter of date to the Superintendent of the Telegraph Office regarding the abnormal delay which is occurring in the despatch and receipt of telegrams to Calcutta. We should be glad if you can see your way to support this representation.

Dated the 8th March 1923.

**From the Chairman, Associated Exchange Banks, Bombay,
to the Superintendent, Telegraph Office, Bombay.**

On behalf of the members of the Associated Exchange Banks in Bombay I have the honour to call your attention to the great delay which is now occurring in the despatch and receipt of telegrams, to and from Calcutta which in effect nullifies the use of the wires for business purposes when messages are required to be transmitted at the earliest possible moment on the same day. I shall be glad if you can give an explanation of the delay and if any remedies are being taken to expedite the transmission of messages. It would appear that the present lines are insufficient to carry the burden of traffic and if such is the case, will the Telegraph department take steps to increase them ?

Dated the 12th March 1923.

**From the Chairman Associated Exchange Banks, Bombay,
to the Chamber.**

With reference to my letter of 8th instant, I enclose for your information copy of the reply received from the Telegraph authorities to my representation regarding the delay in the despatch and receipt of telegrams to Calcutta.

No. C-1 Spl., dated the 12th March 1923.

**From the Superintendent-in-charge, Central Telegraph
Office, Bombay, to the Chairman, Associated
Exchange Banks, Bombay.**

With reference to your letter, dated the 8th instant, I have the honour to state that the number of lines existing between Bombay and Calcutta are adequate for the volume of traffic between these two stations, and except when there are interruptions and disturbances of lines, the delay on traffic is appreciably small. Lately there have been disturbances and interruptions of the lines on a few days, and in consequence there have been some delays on telegrams on these days. Necessary action is being taken in the matter and every endeavour is made to expedite the disposal of telegrams to and from Calcutta.

No. 777/110 of the 24th March 1923.

From the Chamber to the Karachi Chamber.

I am directed to acknowledge the receipt of your letter of 8th of March, and to inform you that my Committee have decided to support your representation regarding the defective telegraph service between Bombay and Karachi, and I am to enclose, for your information, a copy of the communication that has been addressed to the Superintendent, Telegraph Office, Bombay, in this connection.

No. 778/110 of the 24th March 1923.

**From the Chamber to the Superintendent, Government
Telegraph Office, Bombay.**

I am directed to draw your attention to the very defective telegraphic service at present obtaining between Karachi and Bombay and *vice-versa*, and to emphasize the very grave inconvenience imposed upon the commercial community by pointing out the fact that, as a general rule, it is impossible to obtain a reply from Karachi during the ordinary working day to a telegram despatched during the morning.

2. In the above connection, I am to state that my Committee associate themselves with the representation on this subject recently addressed by the Karachi Chamber of Com-

merce to the Deputy Postmaster General, Sind and Baluchistan, Karachi, a copy of which for ready reference I attach herewith.

3. I am to add that my Committee trust that you will represent this matter most urgently to the Director-General, Posts and Telegraphs, to the end that such works for the improvement of the telegraph service, as may be desirable having regard to the necessity of retrenchment, may be undertaken at the earliest possible opportunity.

No. 783/110 of the 24th March 1923.

From the Chamber to the Associated Chambers of Commerce of India and Ceylon, Bombay.

Indian Telegraph Service.

I am directed to address you on the above subject, and to request you to be so good as to represent to the Director-General of Posts and Telegraphs the very grave inconvenience the present ineffective state of the Inland Telegraph Service imposes upon all commercial communities throughout the country.

2. I am to state that in recent months the abnormal delays, experienced by business houses in Bombay with regard to telegrams to and from Calcutta, Karachi and Madras, have become so great as to constitute a very real hindrance to business. More particularly, for some considerable time it has been virtually impossible to obtain a reply from Calcutta or Karachi during the working day to a business telegram despatched during the morning, and I am to add that, in effect, this nullifies the use of the wires for many business purposes.

3. I am to emphasize the inefficiency of the telegraph service by pointing out that bankers in this city sometimes find it more expeditious to operate in Exchange in either China or the United Kingdom than in Calcutta since it has been found that replies from those two countries are, as a general rule, received earlier than from Calcutta.

4. I am, therefore, to request you to represent to the Government of India that whilst recognising the need for retrenchment, my Committee are of opinion that this is a matter of urgent importance, and that the constantly recurring delays should for the future be eliminated so far as is humanly possible.

5. I am to add that in reply to enquiries made locally in this connection it has been stated that the number of lines existing between Bombay and Calcutta are adequate for the volume of messages and except when there are interruptions or disturbances on the lines the delays are only slight, but I am desired by my Committee to state that in their view the lines between such important centres as Bombay, Calcutta and Karachi are adequate only if the ordinary interruptions and disturbances do not cause the serious delays that (at present) occur.

No. 527-A. C. of the 29th March 1923.

To the Chamber from the Associated Chambers of Commerce of India and Ceylon, Bombay.

I am directed by the President to send you the attached copy of the marginally noted letter from the Bombay Chamber of Commerce, and to ask you to be so good as to inform me whether the attached draft representation to the Director-General, Posts and Telegraphs, meets with your approval and may accordingly be despatched.

Letter No. 783/110, dated 24th March 1923, received from the Bombay Chamber of Commerce.

No. T. T.-403 of the 11th April 1923.

From the Postmaster-General, Bombay Circle, to the Chamber.

With reference to your letter No. 778/110, dated the 24th March 1923, addressed to the Superintendent-in-charge,

Central Telegraph Office, Bombay, I have the honour to inform you that the necessity for the maintenance of an efficient telegraph service between Bombay and Karachi is fully realised and there is at present no reason for any undue delay on telegrams between those two places.

I should be glad if the members of your Chamber would kindly send by name to Mr. H. R. Charles, Deputy Postmaster-General, Telegraph Traffic, G. P. O., Bombay, any telegram received from Karachi which appears to have suffered serious delay in transmission. It is desirable that such telegrams should be sent to him as soon after receipt as they can be spared and they will be returned as soon as the necessary particulars have been noted.

No. 996/110 of the 19th April 1923.

From the Chamber to the Postmaster-General, Bombay Circle, Bombay.

I have the honour to acknowledge the receipt of your letter, No. TT-403, dated the 11th April 1923, in which you state, in reply to this Chamber's representation regarding the defective state of the telegraphic service at present obtaining between Bombay and Karachi and *vice versa*, that there is at present no reason for any undue delay in respect of telegrams between those two places.

In reply I am to inform you that my Committee are fully in agreement with your statement that there is at present no reason for delays in the telegraphic service between Bombay and Karachi and it was with the hope of eliciting some explanation as to the delay which is now being generally experienced that my Committee addressed the Superintendent-in-charge, Central Telegraph Office, in the terms of my letter No. 778/110, dated the 24th March 1923.

I am to reiterate that it is usually impossible to obtain a telegram despatched before mid-day an answer during the usual business hours of the same day, and in the opinion

of my Committee this is undoubtedly evidence of undue delay and is a grave inconvenience to business.

I am to request you to be so kind as to state for the guidance of my Committee what, in your opinion, should be the normal transit time of an express telegram between Bombay and Karachi or *vice versa*, and further, upon that basis what you consider to be a fair interpretation of 'undue delay.'

No. 637-A. C. of the 27th April 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

With reference to my letter, No. 527-A.C., dated the 29th March 1923, I am directed to enclose for your information a copy of a letter that has been addressed to the Director-General, Pcsts and Telegraphs.

No. 635-A. C. of the 27th April 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Director General, Posts and Telegraphs, Simla.

I am directed to draw your attention to the very grave inconvenience experienced by the members of this Association on account of the abnormal delays that occur throughout the Inland Telegraph Service, but more especially those that have occurred during recent months between Bombay, Calcutta, Madras, Karachi and also in the Punjab.

2. I am desired by the President to state that in the opinion of a great number of the members of this Association, the delays which now occur in the despatch and receipt of telegrams between the various large centres in India are so great as virtually to nullify the use of the wires for many business purposes.

3. I am to add that it has been stated to the President that certain Bankers in Bombay find it more expeditious to operate in Ex-

change either in China or in the United Kingdom than in other Indian markets owing to the fact that replies are received from those two countries earlier than from Indian centres.

4. In conclusion, I am to state that whilst fully cognisant of the urgent need of retrenchment the President trusts that the most earnest consideration may immediately be given to the subject of this representation to the end that the telegraphic service of this country may not only be improved but maintained in a state of efficiency.

No. 695-A.C. of the 19th June 1923.

**From the Associated Chambers of Commerce of India
and Ceylon, Bombay, to the Chamber.**

Indian Telegraph Service.

With reference to my letter, No. 637-A. C., dated the 27th April, and its accompaniment, I am directed to enclose herewith for your information and for favour of any remarks that your Chamber may care to put forward, a copy of a letter received from the Director-General of Posts and Telegraphs in reply to the complaint made by this Association in my letter, No. 635-A.C., dated the 27th April, a copy of which accompanied my letter above mentioned.

**Reply from the Director-General of Posts and Telegraphs
to Association's letter No. 635 A.C., dated the 27th April
1923 on the subject of delays in the Indian
Telegraph Service.**

"I have the honour to say that the abnormal delays complained of were due to interruptions and line disturbances owing to the unsettled weather conditions in various parts of India and Burma. Efforts are being made to reduce these delays as much as possible by the introduction of more high-speed apparatus and closer supervision. It is hoped these measures will meet with success and that there will be no further cause for complaint."

No. 1546/110 of the 27th June 1923.

From the Chamber to the Associated Chambers of Commerce of India and Ceylon, Bombay.

Indian Telegraph Service.

I am directed to acknowledge the receipt of your letter No. 695-A.C., dated the 19th of June 1923, on the above subject and in reply to say that your letter under acknowledgment has been noted and recorded by my Committee.

APPENDIX M-2.

COMMERCIAL AVIATION.

No. 740-A.C. of the 10th August 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

Commercial Aviation.

I am directed to hand you the attached copy of a letter from the Government of India and to request the favour of any comments that your Chamber may care to put forward.

No. 150-C.A. of the 3rd August 1923.

From the Government of India, (Department of Industries and Labour), Simla, to the Associated Chambers of Commerce of India and Ceylon, Bombay.

Commercial Aviation.

I am directed to inform you that the Government of India have considered the Resolution which was adopted at the Annual Meeting of the Associated Chambers of Commerce of India and Ceylon held in Calcutta on the 8th and 9th January 1923.

2. As regards Part I and 2 (a) of the Resolution, I am to say that the Government of India consider that, in so far as an aeroplane

service is concerned, it would be inadvisable to embark upon so comprehensive a scheme as that proposed. In their opinion, an Imperial Air Mail Service to India by aeroplane must develop by stages, and it would be premature even to discuss the laying out or financing of the eastern link from Cairo to Karachi, until the western link from London to Cairo, comes into operation and enables conclusions to be drawn as to the practicability, financial and technical, of the major scheme. They propose, therefore, to concentrate their attention and such financial assistance as it may be possible for them to give upon the internal lines from Karachi to Bombay, Bombay to Calcutta, and Calcutta to Rangoon, which will be of immediate use and, if the major scheme eventuates, will form important links in the air route to the East. As regards Commander Burney's scheme for a lighter-than-air service, you are doubtless aware of the recent pronouncement on the subject by His Majesty's Government, in respect of which further information is now awaited by the Government of India.

3. In regard to part 2 (b), 3 and 4, it has always been the intention of the Government of India to proceed with the development of the internal routes of the country, as soon as funds for the purpose become available and there appears to be any possibility of an ultimately remunerative service being inaugurated. The policy which they have accepted is that the routes shall be constructed by Government and that, thereafter, tenders shall be invited for the maintenance of services over them. The serious financial stringency which has prevailed in recent years has rendered advance in this direction impracticable, but it is hoped that a complete re-survey of the Calcutta-Rangoon route will shortly be taken in hand, and estimates of its cost, of the revenue obtainable and of the subsidies necessary for its development as an aerial mail route framed. On the basis of these estimates, a decision will be made as to whether Government would be justified at the present time, in expending public money on the scheme.

No. 1917/243 of the 22nd August 1923.

**From the Chamber to the Associated Chambers of
Commerce of India and Ceylon, Bombay.**

Commercial Aviation.

I am directed to acknowledge the receipt of your letter, No. 740-A.C., dated the 10th August 1923, and in reply to say that my Committee have no particular comments to put forward regarding the letter from the Government of India which accompanied your letter.

APPENDIX M-3.

**HOURS OF POSTING ENGLISH MAIL
LETTERS.**

No. 1442/206 of the 14th June 1923.

From the Chamber to the Postmaster-General, Bombay.

I have the honour to draw your attention to the fact that the notification regarding the closing time for the acceptance of the registered mail for England on June the 1st appeared, so far as my Committee are aware, in the newspapers only and that many members of this Chamber did not have their attention drawn to the notification, with the consequence that considerable inconvenience was caused owing to their being unaware that the closing time was earlier than usual.

2. I am desired by my Committee to suggest that steps should be taken in order that business firms may, in the future, be given more direct and timely intimation of any change in the latest hours for posting registered or ordinary mail, should it be found necessary to make any alterations at all. It was once the practice of the Post Office to deliver notices to all business firms whenever there was any change in the hours for posting, and my Committee suggest for your favourable consideration that that practice should be re-continued.

3. I am also to put forward for your consideration that in the case of any alteration of posting hours prior to a public holiday the time for accepting letters on the day previous to the holiday, should be considerably extended and not curtailed as was the case on June 1st.

No. M. D. 81 of the 20th June 1923.

**From the Postmaster-General, Bombay Circle, to the
Chamber.**

In acknowledging the receipt of your letter No. 1442/206 of the 14th instant, I have the honour to say that consequent

on the later hour of departure of the Mail Steamer with effect from the 26th May last, the latest hours of posting Foreign Mail were actually extended and fixed as follows :—

	Previous Hour.	Revised Hour.
Unregistered correspondence up to.	11 a.m. on Saturdays.	12 noon on Saturdays.
Unregistered with late fee of as. 4 on each article.	From 11 a.m. to 12 noon on Saturdays.	From 12 noon to 1 p.m. on Saturdays.
Registered correspondence up to.	7 p.m. on Fridays.	6 p.m. on Fridays and between 7 a.m. and 8 a.m. on Saturdays.
Registered with late fee of as. 4 on each article.	From 7 a.m. to 8 a.m. on Saturdays.	From 8 a.m. to 9 a.m. on Saturdays.
Registered correspondence from the United Kingdom only with a late fee of as. 4 on each article.	From 7 a.m. to 11 a.m. on Saturdays.	From 8 a.m. to 12 noon on Saturdays.
Parcels up to	6 p.m. on Fridays.	6 p.m. on Fridays.
Money Orders up to	3 p.m. on Fridays.	3 p.m. on Fridays.

The latest hour for posting registered correspondence without a late fee was formerly 7 p.m. on Fridays, but as an additional hour for this purpose was given on Saturday morning, the time on Friday was curtailed by one hour. In the following week, Saturday the 2nd June was a Bank Holiday and the Post Office was closed for registration work.

The latest hour for accepting registered correspondence was, therefore, for that week only, 6 p. m. on Friday, but, as a matter of fact booking continued till after 7 p.m. on that day, and no Foreign Mail registered articles were refused. It is not likely that a public holiday will fall again on a Saturday during the current year.

2. The revised hours were notified in all newspapers by means of a Postal Notice on the 26th May, and copies of the Notice were supplied to the firms and offices who called for the same. A Postal Notice notifying Saturday the 2nd June as a Post Office holiday, showing the latest hours and days on which Foreign Mail correspondence can be posted, was sent to all newspapers on the 30th May. Both these notices were also exhibited on the Post Office Notice Boards.

3. With reference to paragraph 2 of your letter, it is not usual to send to firms direct intimation of any change in the hours of business. It would not be possible ordinarily to get the notice printed and distributed in time, and there is always a possibility that some firms and individuals may fail to receive the notice, which would give rise to complaints. If, however, you can suggest a limited number of centres, where such notices could with advantage be sent, I will make arrangements accordingly.

4. With reference to paragraph 3 of your letter, I have already explained the circumstances under which the time for accepting letters on the 1st June appeared to be, but actually was not curtailed. Ordinarily there is no alteration in the latest hours of posting on the day prior to a public holiday.

No. 1559/206 of the 12th June 1923.

From the Chamber to the Postmaster-General, Bombay.

I have the honour to acknowledge the receipt of your letter No. M. D. 81, dated the 20th June 1923, on the subject

of notices of early closing time for the acceptance of mail for England.

My Committee note that the Post Office is unable to deliver notices of changes in the hours of posting direct to firms, although it is possible to hand such notices to firms that call for them, and they further note your suggestion that the notices should be sent to a limited number of centres for the information of those concerned.

In reply I am to suggest for your favourable consideration that the notices should be placed, as early as possible before the alterations so notified, in firms' post boxes so that their peons would collect and deliver them to their offices along with their letters in the ordinary way.

No. M. D. 81 of the 6th July 1923.

From the Postmaster-General, Bombay Circle, to the Chamber.

I have the honour to acknowledge the receipt of your letter No. 1559-206, dated the 12th June 1923 and to say that, as suggested in para. 3 thereof, the Presidency Postmaster, Bombay, has been instructed to place notices regarding changes in the hours of posting of Foreign mails in firms' post boxes.

No. 1702/206 of the 19th July 1923.

From the Chamber to the Postmaster-General, Bombay.

I have the honour to acknowledge the receipt of your letter No. M. D.—81, dated the 6th July 1923, and in reply I am to thank you on behalf of my Committee for your having met their wishes by giving instructions that notices of changes in the hours for posting Foreign mails shall be placed in firms' post boxes.

APPENDIX M-4.**DELAYS IN DELIVERY OF REGISTERED MAIL LETTERS.**

No. 2547—258 of the 28th December 1923.

From the Chamber to the Presidency Postmaster, Bombay.

I am directed to refer to previous correspondence on the above subject, resting with Mr. Ainscough's letter, No. 2046/209, dated the 10th November 1922, and to say that the experience of the members of my Committee leads them reluctantly to the conclusion that the special card delivery system which was instituted as a result of the correspondence in question has not appreciably minimised the delay in the delivery of registered letters arriving by the English mail.

2. My Committee are aware that the position in regard to the clearance of registered letters renders it impossible for their delivery to be effected in as expeditious a manner as ordinary mail letters and they made all possible allowances in that regard when they accepted your assurance, at the time of the introduction of the card delivery system, that the registered mail letters should be delivered to the clerk of the firm named on the card within five hours of the arrival of the English Mail at the General Post Office.

3. The experience of the majority of the members of my Committee has, however, been that the above period has for some considerable time past been considerably exceeded though in the absence of any definite information as to the time when the mail has arrived at the General Post Office they are unable to quote specific instances. But in general I am to point out that when the mail steamer arrives at 6 a.m. the delivery of registered mail letters seldom begins before 3 p.m. and that if the steamer arrives at any time after 8 a.m. the letters in question are seldom available for distribution until the following morning.

4. In inviting your attention to the position as described above I am again to request that all possible steps may be

taken to accelerate the delivery of registered mail letters with a view to the reduction to a minimum of the present delays, whether in the transit between the steamer and the General Post Office or in the registration office of the General Post Office itself.

Dated the 29th December 1923.

From the Presidency Postmaster, Bombay, to the Chamber.

I am in receipt of your letter No. 2547/258 of 1923, dated 28th December 1923. I will discuss the matter with the Postmaster-General, when he returns from tour on the 3rd proximo and will do my best to effect an improvement.

APPENDIX M-5.

ENQUIRY FOR VALUE-PAYABLE ARTICLES.

No. J.V.-19 of the 26th January 1923.

From the Postmaster-General, Bombay Circle, to the Chamber.

I have the honour to request the attention of your Chamber to para. 144 of the Post and Telegraph Guide under which the sender or addressee of a Value-Payable article is required to pay a fee of one anna if he desires to have an enquiry made regarding the delivery of or payment for a Value-Payable article. Further, the complainant is entitled under the same para. to have the amount of enquiry fee refunded if the complaint is found to be well-grounded.

2. This low enquiry fee of one anna was prescribed as long ago as 1912. It has been the experience of this Department that many small traders who supply goods regularly by the V. P. system do not keep correct and regular records and accounts up to date, and when they find any V.P. items unadjusted in their books, they pay the small sum of one anna and make the Post Office supply them the information required. Enquiries in such cases have often to be very prolonged and exhaustive and experience has shown that in the majority of cases, the complaints are unfounded. Statistics

taken in one of the big Post Offices in India during three months showed that out of 2,074 V.P. complaints, in as many as 1,405 cases, the V.P. articles had been duly delivered to the addressees and the money orders paid to the senders. The cost of such enquiries is very great and in order to discourage the making of groundless complaints and to make the enquiry fee somewhat commensurate with the cost involved in the enquiry, it has been proposed to raise the inquiry fee from anna one to annas four. As the fee is to be refunded if a complaint is found to be well-grounded, there would be no real hardship to the general public or the Commercial community.

3. I have the honour to request you kindly to obtain and communicate to me at an early date the valued opinion of your Chamber on the proposal. A reply may kindly be sent by the 20th February 1923, if possible.

No. 334/87 of the 8th February 1923.

From the Chamber, to the Postmaster-General, Bombay Circle.

I am directed to acknowledge receipt of your letter, No. J. V. 19, dated the 26th January 1923, and in reply to say that my Committee are prepared to accord their support to the proposal outlined therein which is in their opinion an eminently reasonable one.

APPENDIX N-1.

DEFERRED REBATES.

(a) BILL TO PROVIDE FOR THEIR PREVENTION.

No. 567/544-M. of the 2nd May 1923.

**From the Government of Bombay (Marine Department),
to the Chamber.**

Prevention of Deferred Rebates Act--Draft Bill.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 567, dated the

18th April 1923 and accompaniments and to request that you will be so good as to move your Chamber to furnish Government by the 1st of June at the latest with their opinion on the provisions of the Bill.

GOVERNMENT OF BOMBAY.

MARINE DEPARTMENT.

Resolution No. 567.

BOMBAY CASTLE, 18th April 1923.

Letter from the Government of India, Legislative Department, No. 3647-A.C., dated the 30th March 1923 :—

“ With reference to the Debates of the Legislative Assembly of the 27th March 1923, I am directed to forward herewith copies of the papers noted below* and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

“ 2. I am also to request that the Bill and Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

“ 3. I am to ask that the replies to this letter may be sent in by the 15th June 1923.”

RESOLUTION.—Copies of the letter from the Government of India and accompaniments should be forwarded to the Honourable the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Commissioner in Sind, the Political Resident, Aden, the Chairman, Bombay Port Trust, the Port Officer, Bombay, the Shipping Master, Bombay, the Remembrancer of Legal Affairs, the Millowners Association Bombay, the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and they should be requested to favour Government with their opinion on the provisions of the Bill. They should be requested to send their replies by the 1st of June at the latest.

*1. A Bill to provide for the prevention of deferred rebates and for the prevention of rate wars and resort to retaliatory or discriminating practices, in the Coastal traffic of India; and annexure, with Statement of Objects and Reasons. 2. Extracts from Legislative Assembly Debates, dated 27th March 1923.

2. The Manager, Government Central Press, should be requested to print the Bill with the statement of objects and reasons in the *Bombay Government Gazette*. The Oriental Translator to Government should be requested to have them translated into Marathi, Gujarati and Kanarese and forward the translations to the Manager, Government Central Press, for publication in the *Gazette*. The Commissioner in Sind should be requested to print the Bill and the statement of objects and reasons in English and in Sindhi in the *Sind Official Gazette*. The dates of publication of the draft Bill and the statement of objects and reasons in English and into the vernaculars should be reported to Government.

A Bill to provide for the prevention of deferred rebates and for the prevention of rate wars and resort to retaliatory or discriminating practices in the Coastal traffic of India.

WHEREAS it is expedient to provide for the growth of an Indian Merchant Marine by guaranteeing fair and healthy competition and by checking monopolies ;

AND WHEREAS for this purpose it is expedient to provide for the prevention of the grant of deferred rebates to or resort to retaliatory or discriminating practices and for the prevention of rate wars by common carriers engaged in the coasting trade of British India ; It is hereby enacted as follows :—

1. *Short title, extent and commencement.*—(1) This Act may be called the Prevention of Deferred Rebates Act, 192

(2) It extends to the whole of British India.

(3) It shall come into force on such date as the Governor General in Council may, by notification in the *Gazette of India*, appoint.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,—

(a) “a common carrier” means a common carrier engaged in the transportation by water of passengers or property between any two ports in British India or between any port in British India and any port or place in the Continent of India ;

(b) “deferred rebates” means a return of any portion of the freight money by a carrier to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier or for any other purpose, the payment of which is deferred beyond the completion of the service for which it is paid, and is paid only if, either during the period for which computed or the period of deferment or both, the shipper has complied with the terms of the rebate agreement or arrangement ;

- (c) "a subject" means a person and includes a corporation, partnership or association existing under or authorised by the laws of British India or of the dominions of princes and chiefs in alliance with His Majesty ;
- (d) "the coasting trade of India" means the carriage by water of goods or passengers ; and
- (e) "minimum rate" means a rate which covers cost of service and includes a fair return on capital invested after meeting depreciation and other essential charges.

3. *Prohibition of deferred rebates and discriminating agreements.*—No common carrier by water shall, directly or indirectly in respect to the coasting trade of India,—

- (a) pay or allow or enter into any combination, agreement or understanding, express or implied, to pay or allow a deferred rebate to any shipper,
- (b) retaliate against any shipper by refusing or threatening to refuse space accommodations when such are available, or resort to other discriminating or unfair methods, because such shipper has patronised any other carrier or has filed a complaint charging unfair treatment or for any other reason and
- (c) make any unfair or unjust discriminatory contract with any shipper based on the volume of freight carried or unfairly treat or unjustly discriminate against any shipper in the matter of—
 - (1) cargo space accommodation or other facilities, due regard being had for the proper loading of the vessel and the available tonnage,
 - (2) the loading and landing of freight in proper condition, or
 - (3) the adjustment and settlement of claims.

4. *Governor General in Council to decide whether deferred rebates or discriminating agreements have been resorted to.*—The Governor General in Council, without prejudice to the right of parties to move the Courts, upon his own initiative may, or upon complaint, shall, after due notice to all parties in interest and bearing, determine whether any person, joint stock company, corporation or association engaged in the coasting trade of India—

- (1) has violated any provision of section 3, or
- (2) is a party to any combination, agreement or understanding, express or implied, that involves in respect to the coasting trade of India a resort to deferred rebates and retaliatory or discriminating practices mentioned in section 3.

5. *Power to Governor General in Council to prohibit entry into ports.*—If the Governor General in Council determines that any such person, joint stock company, corporation or association violated any such provision or is a party to any such combination, agreement or understanding, he may thereafter refuse such person, joint stock company, corporation or association the right of entry for any common carrier directly or indirectly under his or its control, into any port of British India until the Governor General in Council certifies that the violation has ceased or such combination, agreement or understanding has been terminated.

6. *Common carrier to file copy of agreement with another common carrier.*—Every common carrier shall file immediately with the Governor General in Council a true copy or, if oral, a true and complete memorandum, of every agreement with another such carrier or modification or cancellation thereof, to which he may be a party or conform in whole or in part, fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing or destroying competition; polling or apportioning earnings, losses or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; or in any manner providing for an exclusive, preferential or co-operative arrangement.

7. *Carrier to file scales of maximum and minimum rates.*—Every carrier shall also file with the Governor General in Council a scale of maximum and minimum rates.

8. *Rates filed not to be departed from.*—No carrier shall depart from the scale filed in accordance with section 7, except with the approval of the Governor General in Council. Whenever the Governor General in Council finds that any rate or fare is unjust or unreasonable, it may determine prescribe and order the enforcement of a just and reasonable maximum and minimum scale of rates and fares.

9. *Reduced rates not to be increased without consent of Governor General in Council.*—Whenever a carrier reduces its rates on the carriage of any species of freight to or from competitive points below a fair and remunerative basis with the intent of driving out or otherwise injuring a competitive carrier by water, it shall not increase such rates unless after a hearing the Governor General in Council finds that such proposed increase rests upon changed conditions other than the elimination of said competition.

10. *Power to Governor General in Council to cancel or modify agreements.*—The Governor General in Council may by order disapprove, cancel, or modify any agreement or any modification or cancellation thereof, whether or not previously approved by him that he finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters and importers or to operate to the detriment of the

commerce of British India or to be in violation of this Act and shall approve all other agreements modifications, or cancellations.

11. *Penalties.*—Whoever violates any provision of this Act or refuses or fails to carry out the orders of the Governor General in Council shall be liable to a fine of not less than ten thousand rupees or simple imprisonment to a term of not less than six months, or both.

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to remove some of the main obstacles that lie in the way of the development of an Indian Merchant Marine. They mainly consist of methods whereby a shipper is practically bound to confine all his shipments to vessels belonging to a particular shipping company or to the members of a shipping conference, and rate wars waged for stifling all competition by ruthless and unfair rate-cutting. Not merely is the freedom of the shipper to ship his goods by any vessel he may choose thus destroyed, but the progress of trade along desirable channels is also checked. A "disloyal" shipper is penalised by (a) refusal of space, (b) discrimination in the contract of freight, (c) the loading and landing of freight, (d) the adjustment and settlement of claims and various other discriminatory methods. It is the purpose of this Bill to do away with such practices so that an Indian Merchant Marine may grow unhampered.

No. 1363/188 of the 7th June 1923.

**From the Chamber to the Government of Bombay
(Marine Department.)**

Bill for the Prevention of Deferred Rebates.

I have the honour to acknowledge the receipt of your letter No. 567/544-M., dated the 2nd May 1923 and its accompaniments on the subject noted above.

2. In reply I am directed to state that my Committee have carefully considered the provisions of the Bill and that while they differ in opinion as to the necessity for legally abolishing the system of Deferred Rebates they are unanimous in desiring that the Bill should be opposed in its present form.

3. My Committee cannot subscribe to the preamble of the Bill, which states that it is expedient to provide for the growth of an Indian Merchant Marine and, etc., their feeling being that such measures as Government may think it neces.

sary to take in connection with the prevention of Deferred Rebates should be undertaken from the standpoint of their effect on Trade as a whole and not as a means to building up an Indian Merchant Marine. My Committee are of opinion that actions taken from the latter standpoint are not likely to be of general benefit to Trade for the corollary of such actions would necessarily be that Trade would be asked to pay for a possibly less efficient substitute for the efficient Steamship services that now exist.

4. My Committee also object strongly to Clauses 6/9 as they constitute to their minds a gross interference with legitimate trade and they are totally opposed to any system of maximum and minimum rates, controlled either wholly or in part by Government.

5. I am to repeat that my Committee are divided in their views regarding the Deferred Rebate system and they have decided to incorporate in this reply both the views of the Majority who favour the continuance of the system and the views of the Minority who are opposed to its continuance.

6. As regards the views of the Majority, I am to say that they are of the opinion that resolution 567 of the Government of Bombay, Marine Department, embodying a letter from the Government of India, Legislative Department, No. 3647-A.C., dated 30th March 1923, desires more particularly the opinion of the Chamber as to the bearing of the Deferred Rebate system on the Indian Coastal Trade and not on the wider question of Deferred Rebates generally. Whilst therefore their views, as presented hereafter, apply equally to the broad question of Deferred Rebates generally they are focussed particularly on the Indian Coastal Trade.

The advantages accruing from the Deferred Rebate system are mutual to Shippers and Shipowners and they comprise:—

- (a) regularity and efficiency of service ;
- (b) fixity of rates ;
- (c) equality of treatment to all shippers, large and small.

These advantages appear to the Majority of my Committee as sufficiently obvious not to require much elaboration, the more so as these points were examined exhaustively by the Imperial Shipping Committee so recently as 1922.

- (a) Regularity and efficiency of service in these waters demands a large fleet of ships which must be kept in such a position that any sudden demand from any port can immediately be met. To maintain such an organisation the Shipowner must have the assurance of the support of the shippers and it is considered that the Deferred Rebate system is the best method yet devised to secure this support. The incursion of "outside" steamers that may fortuitously find themselves in position to take advantage of a sudden demand is not in the best interests of shippers and consumers.
- (b) Fixity of rates is also covered by the previous paragraph. Shippers readily admit that the knowledge that they may look for stable rates of freight for some time in advance enables them to conduct their business with advantage to themselves and their clients.
- (c) Under the present system the small merchant has absolutely equal treatment with the big man. Without any such agreement on the part of the Shipowner, unwritten though it may be, the elimination of the small merchant would seem to be inevitable.

In return for these advantages the Shipowner, relying upon the steady support of the shippers can cater for the special requirements of the various trades by furnishing the most suitable type of vessel whenever and wherever tonnage is required.

I am to say therefore that the Majority are not in favour of the abolition of Deferred Rebates and that they concur in the second paragraph of this letter that the Bill should be opposed.

7. As regards the views of the Minority, these Members hold that the Deferred Rebate system is oppressive to Trade, because, in the words of the Royal Commission on Shipping Rings "it gives the Shipping Companies powers which on occasion may exceed those necessary to enable them to maintain an organised service." They hold that these powers give the Shipping Companies monopolistic or quasi monopolistic powers which amount to restraint of Trade and are capable of abuse inasmuch as they enable Ship-owners to charge artificially high freight rates and to stifle competition.

They are opposed to the system:—

- (a) because it binds the Shipper under a monetary penalty while it does not in any way bind the Shipowner.
- (b) because it is of a perpetual character from which the Shippers cannot break away without monetary loss.
- (c) because the freight rates are fixed by the Shipping Companies without reference to the Shippers.

They hold that advantage has been taken of the system in the past to fix freight rates higher than necessary while plenty of proof is available to show that the system has been used to help to stifle outside competition.

They feel that no advantage is to be gained by having a regular service unless competitive rates of freight are also assured and they are of opinion that under this system the advantages that arise from the establishment of a regular service are outweighed by the disadvantages caused by the monopolistic powers held by the Shipping Companies.

They would therefore press for the abolition of the Deferred Rebate system and would support any measure designed to accomplish that abolition provided that it was confined to that one object and did not attempt to deal with other issues and they also concur in the second paragraph of this letter that the Bill in its present form should be opposed.

APPENDIX N-2.

(b) REPORT OF IMPERIAL SHIPPING COMMITTEE.

No. 567-M. of the 5th July 1923.

**From the Government of Bombay (Marine Department),
to the Chamber.**

I am directed by the Governor in Council to forward herewith a copy of the Final Report of the Imperial Shipping Committee on the Deferred Rebate System. The Government of India have received information that this report may be placed for discussion before the Imperial Economic Conference which meets on the 1st October. In order to be in a position and to instruct their representatives regarding the attitude they are to adopt in this matter, the Government of India have asked to be favoured with the views of this Government, and those of Chambers of Commerce and other Associations concerned by the 15th of August next. I am accordingly to request that this Government may be furnished, as early as possible, and in any case not later than the 1st August next, with the views of your Chamber on the question discussed in the report of the Committee. The most important questions which require answer are the following:—

- (1) Does your Chamber accept the unanimous findings of the Committee ?
 - (a) that the conference system must be accepted as a necessary concomitant of modern commerce (paragraph 33 of the Report) ;
 - (b) that it is necessary for conferences to have some assurance of continuous support from shippers such as will constitute an effective method of preventing intermittent and irresponsible competition for berth cargo by outside ships (paragraphs 40 of the Report) ; and

- (c) therefore legislation to declare both conferences and the deferred rebates system illegal is not advisable.
- (2) If so, does your Chamber agree with the further recommendations of the Committee—
 - (a) that the agreement system should be given to shippers as a running option to the deferred rebate system, as explained in paragraphs 49 and 50 of the Report ;
 - (b) that on every trade route shippers should be encouraged to form representative associations; and
 - (c) that for purposes of conciliation and arbitration an Imperial Shipping Board should be set up in London to enquire into complaints about freights and facilities and to mediate between the different interests concerned.

2. I am to state that the Imperial Economic Conference will consider the question of conferences and deferred rebates solely in respect of Inter-Imperial trade. Obviously it will not discuss these questions in respect of the coasting trade of the different parts of the Empire, and though the findings of the Imperial Shipping Committee have a very direct bearing on the question of deferred rebates in respect of the coasting trade, yet that question is clearly one which is not suitable for discussion by an Imperial Conference.

3. I am to observe that the Government of India are inclined to doubt whether in practice it will be easy to give effect to the proposition in paragraph 50 of the Report that if shippers are given a running option between a deferred rebate system and an agreement system particular care must be taken that the net financial results of the two systems are the same. If this doubt is justified, it is probable, in view of the known preference of shipowners for the deferred rebate system, that the offer of this option will make little impression on that system. One of the main objections to the system of course is the continuous hold it gives the con-

ference over shippers, as a result of which it is difficult for shippers ever to break away and for new companies ever to force an entry into a trade route covered by conference. It will be seen from paragraphs 12 (vi) of the Report that in the Straits Settlements homeward trade, this objection has been removed by the agreement arrived at in 1911, under which once in every three years, overlapping rebates cease and shippers are free to leave the Conference without loss of rebates. It seems worthy of consideration whether, as an alternative to the proposed running option, a solution of the Deferred Rebate problem should not be sought in an extension of this arrangement.

No. 1767-188 of the 1st August 1923.

From the Chamber to the Government of Bombay (Marine Department.)

I have the honour to acknowledge the receipt of your letter No. 567, dated the 5th July 1923, on the subject of the Report of the Imperial Shipping Committee on the deferred rebate system.

2. In reply I am to say that my Committee, who have given very full consideration to your letter, are not in complete agreement on the vexed question of deferred rebates and I am to put before you the views of both the Majority and the Minority.

3. The Majority are in agreement with the unanimous findings of the Imperial Shipping Committee in regard to the questions (1) (a), (b) and (c), in the first paragraph of your letter and they also answer question (2) (a) in the affirmative, *viz.*, Shippers should, in their opinion, be given an agreement system as a running option to the deferred rebate system.

4. The Minority are definitely opposed to a continuance of the deferred rebate system and recommend its abolition by law but they would subscribe to the suggestion that an agreement system be instituted between Shipowners and Shippers.

5. With regard to question (2) (b) my Committee are unanimously in agreement that on every trade route Shippers should be encouraged, where possible, to form representative associations, though they are of opinion that this might be a matter of some difficulty in India where Shippers and Shipowners are frequently represented by the same interests.

6. My Committee are not in favour, so far as India is concerned, of an Imperial Shipping Board immediately being set up in London for the purpose of enquiry into freights and facilities and to mediate between different interests concerned. They consider that such a system would be cumbrous and that matters at issue between Shippers and Shipowners, or their Agents, should be capable of settlement on the spot by the parties themselves. My Committee would only subscribe to the idea of setting up a Board of Conciliation in London in the event of it being proved that such differences of opinion were incapable of settlement on the spot in this manner or by arbitration.

APPENDIX N-3.

INDIAN MERCANTILE MARINE COMMITTEE.

No. 109 of the 7th March 1923.

**From the Secretary, Indian Mercantile Marine Committee,
Delhi, to the Chamber.**

I am directed to forward 50 copies of the questionnaire prepared for witnesses giving written evidence for the Indian Mercantile Marine Committee, and to say that my Committee will be glad to receive written replies from your Chamber and any other persons or firms known to you who are likely to have views of importance to submit to the Committee. As at present arranged the Committee will assemble at Bombay on the 3rd April for the consideration of the

written evidence received and the oral examination of those witnesses who can conveniently appear at Bombay for the purpose.

*Instruction to persons invited to give evidence before the
Indian Mercantile Marine Committee.*

The "terms of reference" to the Committee are stated in the attached memorandum (Appendix B). The following questions are designed to cover the whole field of the enquiry, so far as it can be outlined at this stage. It is not, therefore, expected that each witness should necessarily answer all the questions put. It is particularly requested, however, that categorical replies should be given to each question which a witness may find himself in a position to answer and that no attempt should be made to reply to the Questionnaire as a whole in the form of a general memorandum. If a witness wishes to give his views on any points relevant to the enquiry, which have not been included in the Questionnaire, it would be convenient that such points should be dealt with in a supplementary statement. Appendix C* contains a brief account of the different forms of State Aid or protection given in various countries for the development of a national mercantile marine which, it is hoped, will serve as a useful guide to witnesses as to the particular lines on which their views and suggestions are required. The special attention of ship building and engineering firms is drawn to the separate list of questions on the subject of shipbuilding and engineering which forms Appendix A to the Questionnaire.

2. The Committee is inviting directly or through Local Governments various Associations and individuals to forward in writing their replies to the Questionnaire. The Committee will also be glad to receive replies from any Associations or individuals not so invited, who may wish to represent their views. Copies of the Questionnaire can be obtained on application to the Secretary, Indian Mercantile Marine Committee, Royal Indian Marine Dock-yard Bombay, or to the Secretary in the Marine Department of the Governments of Bombay, Bengal and Madras and the Secretary in the Commerce Department of the Government of Burma.

3. The early receipt of written replies to the questions will greatly facilitate the work of the Committee. After perusal of the replies the Committee will select the witnesses for oral examination. To give adequate time for this it is requested that replies may be despatched to the Secretary with the least possible delay.

QUESTIONNAIRE.

Development of Shipping Industries.

1. What is your opinion regarding the present condition of the Shipping industry in India ?

2. If you consider the situation unsatisfactory, what, in your opinion, are the conditions in India at present which militate against the development of shipping enterprises by the people of this country ?

3. Can you suggest any measures to remove or mitigate existing difficulties or disabilities, without having recourse to State aid, and to encourage the people of this country to embark on shipping enterprises ?

4. Are you of opinion that State aid is necessary or desirable to promote the satisfactory development of shipping industries by the people of this country ?

5. If you consider State aid necessary or desirable, what method or methods do you advocate ?

6. Do you advocate any legislative measures for the purpose of the satisfactory development of shipping industries by the people of this country and, if so, what should the legislative measures be ?

7. Do you favour the grant of navigation bounties to vessels owned by the people of this country and on the Indian register and trading (a) between Indian ports, (b) between Indian and ports abroad and (c) between outside India ?

8. Would you, in the case of vessels owned by the people of this country and registered in India, restrict the grant of navigation bounties to specified routes and, if so, to what routes, and state your reasons for selecting the particular routes you suggest ?

9. Do you advocate any limits as to gross registered tonnage, average speed at sea and age for the aforesaid vessels to be eligible for a navigation bounty and, if so, what limits in each case ?

10. If you are in favour of these bounties, what rates and limits of bounty would you advocate for the aforesaid vessels for a bounty based on gross registered tonnage, minimum average speed at sea and minimum distance run over a stated period ?

11. Would you recommend any additional percentage of increased bounty for extra speed over and above the minimum average speed at sea advocated by you and, if so, what percentage on vessels engaged in trading as indicated in question No. 7 (a), (b) and (c) ?

12. Do you advocate that provision should be made for the gradual reduction of the bounty after a specified term of years ? If so, what percentage of reduction would you suggest and after how many years for vessels engaged in trading as indicated in question No. 7 (a), (b) and (c) ?

13. Would you advocate that navigation bounties should not be paid to vessels built outside of India unless they have been on the Indian register for a specified period of years and, if so, for what period ?

14. Do you advocate that Navigation bounties should cease altogether after a specified period of years in respect of vessels built outside of India, and if so, after what period ?

15. Would you advocate that all vessels receiving a Navigation bounty must take on board a certain number of Indian apprentices for purposes of training ?

16. Would you exclude the employment of (a) non-British subjects and (b) non-British Indian subjects on vessels receiving a Navigation bounty except when vacancies, which it is impossible to fill, occur at a foreign port ? If you advocate exclusion, would you reserve any power to the Government to make exceptions ?

17. Would you advocate the cessation of Navigation bounties in the case of vessels being sold, chartered or mortgaged to non-Indians ?

18. Under the provisions of the Indian Coasting Trade Act V of 1850, the coasting trade of India is open to all comers. Are you in favour of this policy or do you recommend any reservation of the Indian coasting trade for the development of an Indian Mercantile Marine, and, if so, what ?

19. What, in your opinion, would be the effect of any policy of reservation on the Indian coastal trade ?

20. If you advocate the reservation of the Indian coastal trade, would you impose a condition that such ships should give facilities for training Indian apprentices ?

21. What size and description of vessels, in your opinion, are most likely to be required for an Indian Mercantile Marine ?

Development of Shipbuilding and Marine Engine Construction.

22. Do you consider that vessels required for the Indian Mercantile Marine should be built entirely in private shipyards, or do you recommend the establishment or development of Government dockyards for this purpose ?

23. What is your opinion regarding the present condition of the Shipbuilding and Marine Engine construction industry in India ?

24. If you consider the situation unsatisfactory, what, in your opinion, are the conditions in India at present which militate against the development of such industries by the people of this country ?

25. Can you suggest any measures to remove or mitigate existing difficulties, or disabilities, without having recourse to State aid, and to encourage the people of this country to embark on such industries ?

26. Are you of opinion that State aid is necessary or desirable to promote the satisfactory development of those industries by the people of this country ?

27. If you consider State aid necessary or desirable, what method or methods do you advocate ?

28. Do you advocate any legislative measures for the purpose of the satisfactory development of these industries by the people of this country and, if so, what should the legislative measures be ?

29. Are you in favour of the grant of construction bounties to vessels built in Indian shipyards ?

30. Do you advocate that construction bounties should be confined to vessels built of steel only ? If so, what in your opinion, should be the minimum gross registered tonnage of vessels built in Indian shipyards, which can be considered eligible for a construction bounty ?

31. If you advocate the grant of construction bounties, what rate per ton of gross registered tonnage do you recommend should be given for the hull alone ?

32. If propelling machinery also is built in India, would you advocate a bounty per actual horse power being paid to the propelling machinery builder ?

33. In the case of vessels which are to receive shipbuilding bounties, do you advocate that no materials made outside of India should be used for the construction of the hull and propelling machinery or would you advocate any exceptions such as :—

- (i) Stem, stern post, rudder and rudder tiller, rudder post, quadrant, and rudder pintles.
- (ii) "A" brackets and triple screw shaft bearings.
- (iii) All stanchions not less than 7 inch diameter.
- (iv) All kinds of springs.
- (v) Corrugated and plain or-flanged boiler furnaces.
- (vi) Rotor (wheel) spindle or shaft and blades for turbine engines.
- (vii) Patented articles or articles of new design made abroad.

(viii) Windlasses, cargo winches, steering engines and gear, anchor and chains, wire ropes, hand bilge pumps, fire pumps, cabin ports, electric apparatus, steam and electric pumps, and ash ejectors.

(ix) Steel plates, angles, forgings and castings (iron or steel).

34. If you advocate any exceptions as suggested above, do you recommend the grant of any customs concessions, and, if so, what ?

35. What measures do you suggest to prevent the abuse of these concessions ?

Encouragement of the Construction of Wooden Ships.

36. What is your opinion regarding the present condition of the Wooden Shipbuilding industry in India ?

37. If you consider the situation unsatisfactory, what, in your opinion, are the conditions in India at present which militate against the further development of such industry by the people of this country ?

38. Can you suggest any measures to remove or mitigate existing difficulties or disabilities, without having recourse to State aid, and to encourage the people of this country to further develop such industry ?

39. Are you of opinion that State aid is necessary or desirable to promote the further development of this industry by the people of this country ?

40. If you consider State aid necessary or desirable, what method or methods do you advocate ?

41. Do you advocate any legislative measures for the purpose of the further development of this industry by the people of this country and if so, what should the legislative measure be ?

42. Are you in favour of the grant of construction bounties to wooden ships built in Indian shipyards ?

43. Is any difficulty experienced in effecting the insurance of Indian built wooden ships, and, if so, what remedial measures do you recommend ?

Officers for the Indian Mercantile Marine.

44. Do you consider that any considerable number of the youths of this country are likely to be desirous of following the sea in the capacity of Officers in the Mercantile Marine ?

45. If so, should Government take any active steps to provide for—

(a) their training,

(b) future employment, and

(c) facilities for further study when qualifying for Board of Trade Certificates in the various grades, or would you leave these to private enterprise in India ?

46. Do you advise that cadets for training should proceed direct to Preliminary training as sea as apprentices or should they undergo a Cadets. preliminary course of instruction in a training ship or training establishment on shore ?

47. If you are in favour of preliminary training in a training ship or establishment, do you advise that this should be carried out in India, and if so, do you recommend that the training ship or establishment should be provided or supported by Government ?

48. If some cadets are also trained in England, do you consider that they should be expected to pay the full fees for such training, or do you advise that Government should assist by establishing a system of scholarships for the purpose ? If the latter, please give your views regarding the form which these scholarships should take.

49. If the training ship or establishment should be in India, should there be one or more, and do you recommend that the maintenance charges of such institutions should be met wholly or partially by the levy of fees ? If not wholly, by what means do you suggest that the maintenance charges should be met ?

50. Do you advocate the establishment of a training ship or nautical college on shore ?

51. Do you advocate that after undergoing their preliminary training, the boys should serve a period of Further training as apprentices to the sea. apprenticeship in steamers of the Mercantile Marine or in a sea-going training ship ?

52. If the former, do you consider that shipowners are likely to accept apprentices for training, and if not, do you know what their principal objections are to doing so ? Can you suggest any measures to overcome such objections and to encourage shipowners to accept apprentices ?

53. If the apprentices are required to pay a premium for their apprenticeship, should Government pay the whole, or any portion of it ?

54. If you recommend the provision of a sea-going training ship for apprentices, do you consider that this should be supplied and maintained by Government, or are you of opinion that it could be maintained entirely or partially by premiums and by carrying freight or Government stores ?

55. Do you consider that apprentices in a sea-going training ship should be given free food, and any uniform or clothing allowance during apprenticeship ?

56. Have you any views as to the curriculum of study during the period of training as a cadet and as an apprentice?

57. Do you consider that any sort of Nautical Academy or Academies should be established for the purpose of enabling Indian Mercantile Marine Officers, who have completed their apprenticeship, to undertake special studies before appearing for their Board of Trade Certificate for Mates and Masters, on the lines that now obtain in the United Kingdom?

58. If so, how many academies do you consider are likely to be required for the purpose and in which ports should they be situated? Could they be made self-supporting by fees or should they be provided and maintained wholly or partially by Government?

Engineers for the Indian Mercantile Marine.

59. Do you consider that any considerable number of the youths of this country are likely to be desirous of following the sea in the capacity of Engineers in the Mercantile Marine?

60. If so, should Government take any active steps to provide for—

(a) their training,

(b) future employment, and

(c) facilities for further study when qualifying for Board of Trade Certificates in the various grades or would you leave these to private enterprise in India?

61. Will you please state your views in details as to the nature of the facilities which should be supplied by Government?

62. Do you consider that the present Engineering and Shipbuilding firms in India can give sufficient practical training to apprentices to enable them to become efficient Marine Engineers?

63. Are there any schools, colleges or institutes in the ports of India where sufficient theoretical knowledge can be obtained by apprentices to enable them to become efficient Marine Engineers, and if so, are the numbers sufficient?

Recruitment of Indians as Executive Officers and Engineers in the Royal Indian Marine.

The Commissioned ranks of the Royal Indian Marine both in the Executive and Engineering branches are open to Indians provided they have the necessary qualifications. These qualifications are:—

Under the rules, as they stand at present, the limits of age for appointment to the junior executive rank of the Royal Indian Marine, *viz.*, Sub-Lieutenant are 17 and 22 years. A Board of Trade Certificate (Second Mate) is not obligatory, but in lieu thereof a candidate must produce evidence of four years' service at sea, or a course in a training ship with

subsequent service at sea amounting to four years in all. Candidates must have had sea service outside the Indian Ocean. Preference is ordinarily given to candidates trained on His Majesty's School Ships "Conway" or "Worcester" or at the Pangbourne Nautical College. If a candidate is without a Board of Trade Certificate, he is appointed on probation as a midshipman for 18 months in the first instance, during which period he is required to qualify for promotion to the rank of Sub-Lieutenant. The candidates are selected by a Selection Board appointed by the Secretary of State for India.

The Government of India are now considering proposals for obtaining candidates for the Royal Indian Marine direct from the training ship in future, instead of from the Mercantile Marine Service, and for completing their training in India.

The "Worcester" is at present the only training establishment which is prepared to take youths from this country and that only to a limited extent. They would have to join at the age of fourteen.

The Royal Indian Marine being a small service the average entry in each year is only about four.

64. Do you consider the present arrangement adequate or would you recommend some other scheme such as the establishment of a training ship in India for the Royal Indian Marine or a combined training ship for the Royal Indian Marine and proposed Indian Mercantile Marine? Please state your views.

The qualifications for these appointments are five years' service as an apprentice in a recognised Engineering firm or Government Dockyard.

At present there are no Engineering firms or Government Dockyards which can give the necessary training in Marine Engineering as no construction work of sufficient size is undertaken.

It will be necessary, therefore, until a shipbuilding industry is instituted in India or the Royal Indian Marine Dockyard is largely developed, that candidates for Commissions in the Engineering branch by the Royal Indian Marine must be trained in Great Britain.

65. Under these circumstances, do you consider that the Government should give any facilities to enable suitable candidates to serve their apprenticeship?

General.

It has always been an accepted principle that so far as Maritime Postal Subventions. Services are concerned, the course of the post should follow as far as possible the course of trade. Consequently to secure the maximum economy in carrying mails, steamer services already in existence have been utilised for the purpose. Subsidies are fixed by negotiation or tender based on the

regularity and speed of the services and the number of miles combined with the speed has been the determining factor in fixing the rate.

66. Do you accept the above or have you any other views as to how these mail contracts should be arranged ?

67. What other conditions, if any, do you consider it necessary or advisable to introduce in mail contracts in the future and with what object ?

68. What considerations, if any, do you wish to urge in order to give all steamship companies in India an equal chance of competing for mail contracts ?

69. Do you advocate any methods of indirect aid to promote the
Indirect Aid. establishment of an Indian Mercantile Marine ? If so, what are they ?

70. If you have advocated direct or indirect State aid or assistance
Finance. what method or methods can you suggest for the purpose of raising the funds required ?
Will you give figures in support of your proposals, including the total sum involved ?

APPENDIX A.

Shipbuilding and Engineering.

1. What kind of ships or vessels do you build, wood or steel, or both ?
2. What is the largest wood ship you have built ?
3. What is the largest steel vessel you have built ?
4. Do you build engines ?
5. What is the largest engine you have built for a vessel ? Give the dimensions and power.
6. Do you build boilers ?
7. What are the dimensions and working pressure of the largest boiler you have built ?

For the purpose of questions Nos. 1 to 35 "Vessels" should be deemed to mean "self-propelled vessels" unless where otherwise expressly stated.

"Actual horse power" should be deemed to mean "indicated horse power" except in the case of turbine engines. In the latter case it should be "shaft horse power" plus 10 per cent.

The words "bounty" and "subsidy" have been used in the questionnaire with a strict regard to the literal meaning of these terms. Thus "bounty" should be understood to mean a free gift of money by the State for the encouragement of the shipping or shipbuilding industry, and "subsidy" a payment made by Government for the performance of a specific service such as the conveyance of mails.

8. What is the area of your shipyard ?

9. How many building berths have you ?

10. What lengths of ship or vessel can you build and launch ?

11. What number of ships or vessels of the sizes stated by you could you build per year with your present plant if the necessary contracts were secured ?

12. What amount of engines and propelling machinery for the number of vessels stated above could you make ?

13. If you could not make all or part of the propelling machinery and boilers could you get it supplied quickly enough to secure the output of vessels *per annum* stated above ?

14. The total tonnage of steamers of the Indian Shipping Companies and Shipowners in the Ports of India is stated to be about 140,000 tons gross. Assuming that the replacement of this tonnage takes place every twenty years, what proportion of this replacement could your present plant undertake ?

15. If you saw a certainty of building sufficient ships or vessels of larger size than you can now build, would you enlarge your present shipyard and plant and to what extent ?

16. It has been stated that the Mercantile Marine of Japan was 491,258 tons gross in 1906, and that it increased to 841,931 tons in 1914, showing an average increase of 43,834 tons per annum for the eight years. Suppose that the shipbuilders of India had to construct a mercantile marine at this rate, what amount of tonnage per annum would you be prepared to construct ?

17. Where do you recommend the placing of a shipyard or shipyards assuming that measures were taken "for the encouragement of shipbuilding and of the growth of an Indian Mercantile Marine by a system of bounties, or other measures" ?

18. Can you give the Committee the approximate relative cost of vessels and machinery built in India as compared with other countries ?

19. If so, will you state the relative rates paid per hour of the relative trades, and the relative amount of work produced per hour in the various countries including India ?

20. Can you give the relative cost in the various countries, of the principal kinds of material that go to make a vessel and her machinery ?

21. Will you give the average and maximum number of men you have employed

(1) Before 1914,

(2) Between 1914 and end of 1918,

(3) Since the beginning of 1919,

giving them under the various headings of staff (in detail), and of their respective trades ?

22. Will you furnish statements as to the number and scope of the machines that you have in your works and supply plans of your shipyards, if you have any ?

23. If you have any plans of proposed new shipyard in India, will you supply them ?

APPENDIX B.

TERMS OF REFERENCE.

To consider what measures can usefully be taken :—

- (1) for the liberal recruitment of Indians as Deck or Executive Officers and Engineers in the Royal Indian Marine ;
- (2) for the establishment of a Nautical College in Indian waters for the purpose of training Executive Officers and Engineers of ships ;
- (3) for ensuring the entertainment of Indian apprentices for training as such Officers and Engineers, in the ships owned by Shipping firms that enjoy any subsidy or other benefits from Government on any account, and for the creation of an adequate number of State scholarships for providing instruction in the Nautical Colleges and training ships in England, pending the formation of a Nautical College in India ;
- (4) for the encouragement of shipbuilding and of the growth of an Indian Mercantile Marine by a system of bounties, subsidies and such other measures as have been adopted in Japan ;
- (5) for the acquisition of training ships by gift from the Imperial Government or otherwise ; and
- (6) for the construction of the necessary dockyards and engineering workshops in one or more ports.

No. 1955/135 of the 30th August 1923.

From the Chamber to the Secretary, Indian Mercantile Marine Committee.

(NOTE.—*The numbers in the margin refer to the numbers in the Questionnaire.*)

I have the honour to inform you that my Committee have carefully considered the questionnaire issued by the Indian Mercantile Marine Committee, dated the 3rd March 1923, and I am directed to subjoin hereunder their statement of answers to the questions:—

Development of Shipping Industries.

In the opinion of my Committee the disorganisation of the Shipping Industry in India caused by the
Q. 1, 2 & 3. war has to a large extent been remedied and the industry at present appears to be developing satisfactorily.

There is nothing in their opinion, except want of knowledge, money and patience to militate against the development of Shipping enterprise by the people of this country and my Committee can suggest no measures to remove these difficulties.

Shipping Companies require many years of experience before they can be worked on a satisfactory system and become financially stable, and the launching of so many immature Shipping concerns during the past few years has in my Committee's view prejudicially affected the prospects of the Indian Shipping industry to a very great extent.

My Committee consider that any form of state aid is highly undesirable and economically unsound
Q. 4. and that this opinion has been well borne out by the failure of recent experiments in this direction in America and elsewhere.

It appears to my Committee that the only time when a system of bounties can be tolerated is when a nation must foster its own Mercantile Marine whatever the cost may be rather than rely on the Mercantile Marine of a foreign

nation. Japan is a case in point, but not so India, which is an integral part of the British Empire and accordingly my Committee are of opinion that a system of bounties would even if it led to the constitution and development of an Indian Mercantile Marine, be a perfectly unnecessary tax on the income of the country.

Q. 5—17 The above answers preclude replies to inclusive. these questions.

My Committee are in favour of free trading but with some measure of retaliation towards those
Q. 18. countries that reserve their Coasting Trade, for Shipping Lines of their own nationality.

The reservation of the coastal trade would, my Committee consider, hinder its free development and
Q. 19. would unnecessarily interfere with the Shipping Industry generally.

Q. 20. This question requires no answer in the light of the above replies.

My Committee would point out that this depends, entirely on the trade in which the vessels would be
Q. 21. employed.

Development of Shipbuilding and Marine Engine Construction.

My Committee are strongly of opinion that building should be competitive and that vessels should
Q. 22. be bought in the cheapest market.

My Committee would reply that in the sense of the question as framed there is no Ship-building
Q. 23. and Marine Engine construction industry at present in India.

The reasons for the absence of a Ship-building and Marine Engine construction industry in India are
Q. 24. chiefly the lack of experience and general unsuitability of India as a building centre. India can purchase all her requirements in this connection more satisfactorily from other countries and my Committee would add

that in order to commence shipbuilding or engine construction India would have to import the raw materials and experienced labour required.

My Committee can suggest no remedies to overcome difficulties that are natural and economic.

Q. 25. If these difficulties did not exist private enterprise would before now have backed shipbuilding enterprises in India.

My Committee are firmly of the opinion that State aid for the industry in question is most undesirable.

Q. 26. They do not see why the tax-payer should pay for an industry which is not in their opinion necessary to the country and which cannot be made to pay on a commercial basis.

Q. 27. In view of the answer to the previous question no reply to this question is required.

Q. 28. My Committee recommend that no legislative measures be taken for this purpose.

My Committee are opposed to the grant of construction bounties to any vessels built in Indian shipyards.

Q. 29. The answer to question No. 29 precludes a reply to these questions.

Q. 30—35. *Encouragement of the Construction of Wooden Ships.*

If these questions are intended to apply to the building of ocean-going power propelled ships than my Committee would point out that wooden ships of this nature are obsolete. They consider it inadvisable to support the building of country craft by either legislative measures or financial aid.

Difficulty is experienced in effecting the insurance of wooden ships built in India or elsewhere but my Committee can suggest no remedy.

Q. 43.

Officers for the Indian Mercantile Marine.

My Committee consider that very few youths of this country are likely to be desirous of following

Q. 44. the sea in the capacity of officers of the Mercantile Marine.

If Government have funds to spare for the provision of hulks for the purpose of training Indian

Q. 45. youths my Committee advocate that hulks be purchased for this purpose since they would undoubtedly be of benefit.

For modern requirements my Committee consider that cadets should undergo a preliminary course

Q. 46. of instruction in a training ship or in an establishment on shore, thereafter completing their training at sea.

My Committee advise that training ships be in Indian waters, and self-supporting, but until such

Q. 47. time as Indians prove that they are capable of profitably owning or managing ships and actually own ships on a reasonably large scale it would hardly pay the Indian tax-payer to support a scheme for training Indian officers.

If cadets are trained in England they should pay the full fees for such training but my Committee see

Q. 48. no objection to a system of competitive scholarships.

These questions are answered above.

Q. 49 & 50.

My Committee advocate that after undergoing their preliminary training the boys should serve a

Q. 51. period of apprenticeship in steamers of the Mercantile Marine.

My Committee have no doubt that Shipowners would accept apprentices for training on payment

Q. 52. of the usual premium.

My Committee are strongly of opinion that the Government should not pay any portion of the premium.

Q. 53.

No reply to these questions is required in the light of the above answers to questions on this subject.

Q. 54 & 55.

My Committee recommend that the present curriculum of study in England, based as it is upon years of practical experience, should be followed as closely as possible.

Q. 56.

My Committee would approve of the establishment of Nautical Academies for the purpose in question provided that they were promoted by private enterprise as in the United Kingdom.

Q. 57.

The number of Academies required can only be decided in the light of experiential knowledge of their utility and of the number of applicants for training but my Committee are most strongly convinced that they should in all cases be self-supporting.

Q. 58.

Engineers for the Indian Mercantile Marine.

My Committee consider that a moderate number of young Indians may be expected to take up this calling.

Q. 59.

My Committee reply to sub-sections, a, b and c in the negative.

Q. 60.

In view of the answer to the previous question this question requires no reply.

Q. 61.

My Committee would refer you, in reply, to question No. 64, paragraph 3.

Q. 62.

My Committee understand that there are facilities in India for the training of apprentices.

Q. 63.

*Recruitment of Indians as Executive Officers and Engineers
in the Royal Indian Marine.*

In view of the further curtailment of the Royal Indian Marine my Committee think that this

Q. 64. question does not now arise.

My Committee are not prepared to approve of burdening the taxpayer with the cost of sending

Q. 65. apprentices outside India.

General.

My Committee accept the principles enun-

Q. 66. ciated in the prolegomenon to this question.

Answers to these questions are not required

Q. 67 & 68. on account of the reply to question No. 66.

My Committee are opposed to any methods of indirect aid to promote the establishment of an Indian

Q. 69. Mercantile Marine.

My Committee have already clearly indicated that they are not in favour of direct or indirect State

Q. 70. aid of any description whatsoever.

Appendix.

The questions in the appendix concern Ship-building and Marine Engineering, Companies only, and the Chamber, therefore, is not called upon to reply thereto.

No. 459 of the 13th September 1923.

**From the Secretary, Indian Mercantile Marine Committee
to the Chamber.**

I have the honour to request that you will be good enough to nominate one or more representatives of your Chamber, as you may consider desirable, to give oral evidence before my Committee which will sit for the oral examination of witnesses at Bombay from 20th November to 6th December 1923.

Your representative or representatives will be examined with reference to the written statement of the views of your Chamber furnished to me with your letter No. 1955/135, dated 30th August 1923. On receiving the names of your representatives nominated for the purpose, which should be communicated to me at an early date, you will be informed of the date and time at which they will be required to appear before my Committee at Bombay.

No. 2146/135 of the 4th October 1923.

' From the Chamber to the Secretary, the Indian Mercantile Marine Committee.

I have the honour, in reply to your letter No. 459, dated the 13th September 1923, to inform you that my Committee have nominated Mr. N. Birrell of Messrs. W. & A. Graham & Co., Bombay, to give oral evidence on behalf of this Chamber before your Committee.

APPENDIX N-4.

**FEEs FOR INSPECTION OF WIRELESS
TELEGRAPH INSTALLATIONS ON SHIPS.**

No. 996 of the 24th August 1923.

The Offg. Port Officer, Bombay, to the Chamber.

*Proposal to amend the Indian Merchant Shipping Act, 1923,
in order to take power to levy fess for inspection of
wireless telegraphy installations on ships.*

I have the honour to forward herewith extract of paras. 1 and 2 from a letter from the Government of India, Department of Commerce, No. 4109, dated the 1st August 1923,

and to request that, after consulting the Shipping firms interested, you will be good enough to inform me whether, in the opinion of your Chamber, there is any objection to legislation on the lines indicated therein.

(Extract of paras. 1 and 2 from Government of India letter Department of Commerce, No. 4109, dated the 1st August 1923.)

1. As the local Government is aware, a Wireless Telegraphy Inspector has been appointed at Bombay since the 1st January last in order to ensure that the requirements of the Indian Wireless Telegraphy (Shipping) Act, 1920, embodied in sections 240-45 of the Indian Merchant Shipping Act, 1923, are complied with.

2. It will be seen from the Fees (Increase) Act, 1923, which was republished in Part I of the Gazette of India, dated June 2nd, 1923, that it has been decided in the United Kingdom to charge fees from £ 1 to £ 4 for the inspection of a vessel in which the wireless telegraphy installation is found to be defective or which is without its proper complement of certificated wireless operators and watchers. The Government of India are of opinion that a similar practice might well be followed in India, and that the result could most simply be obtained by taking power to charge fees ranging between Rs. 15 and Rs. 60 for the certificate required under section 243 (4) of the Indian Merchant Shipping (Consolidation) Act.

* * * * *

No. 1978/246 of the 5th September 1923.

From the Chamber to the Port Officer, Bombay.

I have the honour to acknowledge the receipt of your letter, No. 996-S., dated the 24th August 1923, and its accompaniment on the subject of a proposed amendment of the Indian Merchant Shipping Act in order to take power to levy fees for the inspection of wireless telegraphy installations on ships.

In reply I am to say that my Committee understand from the accompaniment to your letter that the fees mentioned, namely, from Rs. 15 to Rs. 60, are to be levied only when a ship is found not to be properly provided with wireless installation, operators or watchers; and I am to state that my Committee see no objection to the proposed amendment.

APPENDIX N-5.

PROPOSED INDIAN SAILORS' HOME IN BOMBAY.

No. 33-M. of the 3rd February 1923.

**From the Government of Bombay (Marine Department),
to the Chamber.**

I am directed by the Governor in Council to request that you will be so good as to move your Chamber, if they agree to co-operate in the matter, to nominate a member of a Committee which the Bombay Government proposed to appoint to draw up a scheme for an Indian Sailors' Home, as a memorial to Indian seamen who gave up their lives in the great war.

No. 340/105 of the 14th February 1923.

From the Chamber to Mr. L. S. Hudson.

At the meeting of my Committee held on Wednesday, the 14th instant, it was unanimously decided that, subject to your consent, your name be forwarded as the Chamber's representative on the Committee that the Government of Bombay propose to appoint to draw up a scheme for an Indian Sailors' Home as a memorial to Indian seamen who gave up their lives in the great war.

In arriving at this decision my Committee were chiefly determined by the considerations that their representative should be a Shipping member and that the British India Steam Navigation Company are probably more concerned with the sailors who are likely to use the proposed Home than any other Shipping Company.

Accordingly I shall be pleased to hear that you are willing to serve as the Chamber's representative in this connection.

Dated the 16th February 1923.

From Mr. L. S. Hudson to the Chamber.

I beg to acknowledge the receipt of your letter No. 340/105 of 1923, dated 14th instant, inviting me to allow my name to be forwarded to the Government of Bombay as the Chamber's representative on the Committee that the Government propose to appoint to draw up a scheme for an Indian Sailors' Home as a memorial to Indian seamen who gave up their lives in the great war. As Sir Arthur Froom, to whose initiative the Prince of Wales Seamen's Home is chiefly due, and who would have been the best representative the Chamber could have had in this matter is not in Bombay, I write to say that I shall be willing to serve in this capacity.

No. 392/105 of the 17th February 1923.

From the Chamber to the Government of Bombay (Marine Department).

I have the honour to acknowledge the receipt of your letter, No. 33-M., dated the 3rd February 1923, in which you invite this Chamber, if they agree to co-operate in the matter, to nominate a member of a Committee which the Bombay Government propose to appoint to draw up a scheme for an Indian Sailors' Home, as a memorial to the Indian seamen who gave up their lives in the great war.

2. In reply I am to state that my Committee have nominated Mr. L. S. Hudson of Messrs. Mackinnon Mackenzie & Co., Bombay, to be the representative of the Chamber on the Committee in question.

APPENDIX O-1.

**QUESTION OF GIVING PRATIQUE BY WIRELESS
IN THE SUEZ CANAL.**

No. 4314/D. of the 20th June 1923.

**From the Government of Bombay (General Department)
to the Chamber.**

I am directed by the Governor in Council to forward herewith copies of a letter from the Government of India,

Department of Commerce, No. 3334, dated the 13th June 1923, and accompaniment and to request that the opinion of your Chamber in the matter may be submitted to Government at a very early date.

No. 3334 of the 13th June 1923.

**From the Government of India (Commerce Department),
Simla, to the Government of Bombay (Marine Department).**

At one of the recent meetings of the Technical Committee of the International Sanitary Convention a note prepared by the Authorities of the Panama Canal on the system which has been developed there of giving, in certain cases, pratique by wireless was presented. I am now to enclose a translation of that note and to request that, with the permission of His Excellency the Governor-in-Council commercial opinion may be consulted as to whether the introduction of a similar system into the quarantine methods of the Suez Canal would be feasible and advisable from the commercial standpoint, so that if the question be raised at the forthcoming Conference, the Government of India may be in possession of local commercial opinion on that point. As this Conference may be called at an early date, I am to request the favour of an early answer.

*Note on the method of obtaining "pratique" by wireless by
boats passing through the Panama Canal.*

I beg to inform the Committee that the subject of the control by wireless of boats as notified by the Quarantine Service in the Panama Canal was submitted for examination by the authorities at Washington in accordance with the request made by the International Office at the May meeting. The Chief Officer of the quarantine zone of the Canal replies as follows :—

"I respectfully reply to the Surgeon General on the subject of pratique by wireless, whose attention is invited thereto at the request of the Governor. The order under reference only applies to vessels whose health certificate is clean and which have no illness on board. They must present a list of the ports of call during the previous ten days and any taking on of provisions of any sort or disembarkation of passengers or of cargo are forbidden to them. The vessel is entirely in charge of the Canal authorities during the period of transit, and at each lock, a force of police is put on board sufficient to prevent any person leaving the boat or any goods being discharged. For all practical purposes, the boat during its passage of the Panama Canal is in quaran-

tine in a manner similar to that in the Suez Canal according to the International Sanitary Convention of 1912 (Section II, Chapter 5, Article 70).

II. The reason for this rule is to facilitate the entry and transit of vessels more especially those which, on account of perishable cargo or for any other reason, ought to pass through the Canal rapidly. The chief object of the Panama Canal is to gain time in navigation and all measures which can be employed to ensure that end are taken. In fact, if the vessel traverses the Canal without going into dock and without taking or discharging passengers or provisions or cargo, it, from the moment that the only persons who come on board are the Pilot and his men, is no more a danger to the health of the zone of the Canal than if it had passed fifty miles away from one of our Ports. The Pilot goes direct to the bridge. He remains there during the whole of the transit and his men remain fore and aft on the deck. These men who form a part of the regular personnel of the Panama Canal staff, must submit themselves at any moment and when required to medical examination. The Canal administration provides the medical services. It is thus possible to discover any infectious disease in the houses of these men before it has time to spread. Thus their chance of contracting infection are reduced to a minimum. I have never seen up till now any quarantine officer who had been on board vessels in this manner contract an infectious disease."

III. This method does not seem to be at variance with the international methods established by the International Sanitary Convention of 1912. At the time when that Convention was drawn up, wireless was not in general use and it is possible that none of the delegates of that Convention dreamt of applying it with advantage to sanitary methods.

IV. It is moreover doubtful whether the zone of the Canal (Panama) is covered by the ratification of the International Sanitary Convention of 1912. The acting Solicitor, Finance Department, under date of February 2, 1914, has given the opinion that, in the absence of any legislation extending expressly the application of the laws of the United States to the zone of the Canal, it cannot be considered to be covered by the ratification of the Convention of 1903. There is no document in the Canal office to show that such legislation was expressly undertaken in connection with the ratification of the Convention of 1912. The Minister of War wrote in a letter, dated the 31st March 1914, and addressed to the Secretary of State as follows:—

"There exists some doubt on the question of whether the Sanitary Conventions of 1903 and 1912 apply to the zone of the Canal and I am advised that, since this is a matter of interpretation of Treaties, the exact interpretation ought to come from your Ministry. I shall be happy to be informed of decision at which you arrive."

There is no record in the Ministry that this question was ever settled.

V. But, leaving this aside, one cannot see in what way there is any violation either in spirit or execution of the International Sanitary Convention of 1903. This document specifies the means for carrying all sanitary measures for the Suez Canal and the International Office has no power to modify those definite agreements, but it does not follow that the quarantine methods in the Panama Canal can be from this fact, interfered with or regulated. On the other hand, the very omission of this Canal from the Convention indicates clearly that it was not the intention to apply to the Panama Canal the same measures as to the Suez Canal. This is moreover logical, since the quarantine problems at Panama and at Suez are far from being the same. The Panama Canal by means of its strategic position on an important maritime highway, performs, and that in a very marked degree, the functions of a filter checking on the spread of infectious diseases. But its administration is not called upon to guarantee absolutely the complete health of all boats which traverse it; it cannot undertake responsibility for guaranteeing that boats having passed through it are free from all disease. If that were so there would be no need for boats to submit to fresh quarantine inspection in any later port after once they have quitted the Panama Canal.

VI. There is no reason to think that the sanitary condition of any port is endangered by the fact of the development in the quarantine methods adopted. Pratique by wireless is only given after strict examination and a false declaration about quarantine is a breach of the rules and instructions published by the Governor of the Canal; and the person responsible is liable to a fine not exceeding 500 Dollars, or, to imprisonment for not more than 90 days or, to both, according to a decision of a Court in conformity with the Act of Congress authorising the establishment of quarantine regulations.

No. 1617/217 of the 5th July, 1923.

From the Chamber to the Government of Bombay (General Department).

Question of giving pratique by wireless in the Suez Canal.

I have the honour to acknowledge the receipt of your letter, No. 4314 D., dated the 20th June, 1923, and the accompanying copy of a letter from the Government of India, Department of Commerce, No. 3334, dated the 13th June, 1923, on the subject noted above.

2. In reply I am to state that my Committee understand that the system of giving pratique by wireless in vogue at

the Panama Canal only applies to ships that pass straight through the Canal from sea to sea without calling or coaling at any place as they pass through. This system would therefore not be applicable to a large proportion of the ships using the Suez Canal, since very many of them coal at Port Said and also the passengers of such steamers would not be content to be banned from going ashore.

3. I am to say, therefore, that while my Committee consider that a large proportion of steamers would not benefit by a system of wireless pratique at the Suez Canal (though an increase of oil burning might affect this question) they are of opinion that it would be useful to have such a facility available; although as a matter of fact a steamer that took advantage of the system would not be likely to gain much, if any, time in entering the Canal and the passage through it would not be affected.

APPENDIX O-2.

INTERNATIONAL SANITARY CONVENTION, PART I.

No. 1701-D. of the 21st June 1923.

**From the Government of Bombay (General Department)
to the Chamber.**

*Revision of Part I of the International Sanitary Convention,
1912.*

I am directed by the Governor in Council to forward herewith copy of this Government Resolution, No. 1701, dated the 21st June, 1923, on the subject mentioned above, and to request that the views of your Chamber in the matter may be communicated to Government not later than the 5th July, 1923.

GOVERNMENT OF BOMBAY.

GENERAL DEPARTMENT.

Resolution No. 1701.

BOMBAY CASTLE, 21st June 1923.

Letter from the Government of India, Department of Commerce, No. 2322, dated the 14th June 1923—

Resolution:—Copies of the letter from the Government of India, and accompaniment, should be forwarded to the Commissioner in Sind and the Port Health Officer, Bombay, for favour of report before the 5th July 1923, after consulting the Shipping Companies at Karachi and Bombay, respectively.

2. Copies of the letter and accompaniment should also be forwarded to the Chambers of Commerce, Bombay and Karachi and the Indian Merchants' Chamber and they should be requested to favour Government with their views before the 5th July, 1923.

No. 3322 of the 14th June, 1923.

**From the Government of India (Commerce Department),
Simla, to the Government of Bombay
(Marine Department).**

I am directed to refer to the Hon'ble Mr. Montagu Butler's letter No. 437, dated Simla, the 12th of July, 1922, in which the Government of Bombay was requested to furnish to the Government of India, after consultation with commercial and shipping interests, its suggestions in regard to the revision of Parts II and III of the International Sanitary Convention of 1912.

2. The work of the Technical Committee on the revised draft of this Convention has now been completed. The next step will be to place the draft as a whole before an International Conference, which in all probability will be called in Paris shortly after the conclusion of the Peace Treaty between the Allies and Turkey. This will be the final opportunity for getting any changes made in the terms of the Convention. After that it will rest with the different Governments whether to adhere or not to the Convention. There are many strong reasons why, if possible, the Government of India should be able to accept the Convention. Largely on account of the recurrence of plague and other epidemic diseases, India is already, to a certain extent, treated as a "suspect" in sanitary matters by other countries in the world; and if most of the countries accept this Convention, whilst India is unable to do so, other countries will be free, so far as their commercial and trade interests permit, to treat any ship coming from India as

"suspect," in spite of the fact that India may actually be observing most of the conditions laid down by the Convention. If, on the other hand, India is able ultimately to adhere to the Convention, her shipping will be treated similar to that of any other signatory to this agreement. As has been already stated, local commercial opinion has already been consulted in regard to the drafts of Parts II and III. It does not, however, appear from the correspondence that commercial and shipping interests were consulted on the draft of Part I, and it seems very desirable to the Government of India that those interests should be consulted speedily and promptly on the provisions in this part which relate directly to plague. Copies of these portions are attached.

3. Attention is first requested to Article 12 (3), which reads:—

"The competent authority shall take effectual measures in the case of plague to prevent rats gaining access to ships."

The wording of this is perhaps not altogether happy, but the Government of India understand that this condition would be satisfied by a constant and steady campaign against the existence of rats within the dock area. It is chiefly in regard to Article 23 that commercial opinion is invited, namely the advisability and feasibility of insisting, that "all ships, except those employed in the coastwise service, should be periodically deratised at least once in six months." When this section was under consideration by the Technical Committee, the representative of the Government of India urged that the deratisation of ships should invariably be carried out at a port not infected with plague. He failed, however, to gain approval for that suggestion. The practical point lying behind that proposal was that it is extremely difficult to ensure that no rat gains access to a ship whilst the vessel is being loaded. Consequently, if a port is plague infected, it is extremely difficult to ensure in practice that a ship which had been deratised should not again become infected during loading. In view, however, of the failure to get this amendment accepted in the Technical Committee, it may prove difficult to obtain its acceptance in full Conference. The difficulty would be increased if any colour were given for the suspicion that India—a country in which it is well known that plague is notoriously endemic—was endeavouring to avoid an obligation to undertake deratisation of ships. Therefore if shipping and commercial interests wish to put forward any proposed modification of this Article, it is most advisable to show clearly that their recommendations are based on facts and sound practical considerations, and not on any desire that Indian ports should be less strict in the sanitary precautions they take than those of other countries in the world. It is possible that this section may give rise to considerable discussion, since, as it is worded at present, it will make it compulsory for every ship, cargo boat or liner, to be deratised every six months whether or not it has rats on board. This would appear to be a somewhat rigorous condition to apply to certain of the passenger routes in the world. If this presumption be correct, this section will receive careful scrutiny, and if

India can put forward any suggested amendments which would be more suited to her conditions and convenient to shipping and trade and commerce as a whole, they would doubtless receive careful consideration. It should be borne in mind that the practical object aimed at by Article 23 is not the fumigation of ships, but the obtaining of rat free ships, so as to prevent the dissemination of infection.

4. As the Conference might now be convened at short notice and it is essential that the case on behalf of India be properly prepared, I am to request that the Government of India may be favoured with an answer to this reference by July 15th.

*Modifications in the International Sanitary Convention, 1912,
as adopted by the Permanent Committee of the Office
International d'Hygiène Publique on revision
8th May 1922.*

(Translated from the official French text).

Modifications subsequent to October 1921. marked*.

PART I.

General Provisions.

CHAPTER I.

PROVISIONS TO BE OBSERVED BY COUNTRIES SIGNING THE CONVENTION,
ON THE APPEARANCE OF PLAGUE, CHOLERA, YELLOW FEVER, OR
CERTAIN OTHER INFECTIOUS DISEASES IN THEIR TERRITORY.

SECTION I.—*Notification and subsequent communications to
other Countries.*

Article 1.—Every country must immediately notify to the other Governments and, at the same time, to the Office International d'Hygiène Publique, the first recognised case of plague, cholera, or yellow fever found in its territory.

In the same way the first recognised case of plague, cholera, or yellow fever which occurs outside the limits of local areas already affected must be immediately notified to the other Governments and to the Office International d'Hygiène Publique.

The immediate notification of any *foyer*† of typhus or of small pox or of any outbreak of epidemic influenza with a tendency to spread is also compulsory.

Article 2.—Every notification prescribed in Article 1 shall be accompanied, or very promptly followed, by detailed information as to:—

- (1) Where the disease has appeared ;
- (2) The date of its appearance, its source and its type ;
- (3) The number of known cases and deaths ;
- (4) The extent of the local area or areas affected ;
- (5) In the case of plague the presence of that disease or of unusual mortality among rats ;
- (6) In the case of yellow fever, the presence of *stegomyia calopus* ;
- (7) The measures immediately taken.

Article 3.—The notification prescribed in Article 1 shall be supplied to the Diplomatic or Consular Agencies in the capital of the infected country. In the case of countries not represented there, the notification shall be telegraphed direct to the Governments of these countries. *A similar telegram shall be supplied at the same time to the Office International d'Hygiene Publique.

The information prescribed in Article 2 shall be supplied directly to the Office International d'Hygiene Publique. The Office will communicate the notification and the information which it has received without delay, and through appropriate channels, to the principal public health authorities of the other countries.

Article 4.—The notification and the information prescribed in Articles 1 and 2 shall be followed by subsequent communications furnished regularly to the Office International d'Hygiene Publique in order that the Governments may be kept regularly informed of the course of the epidemic.

The communications, which shall be as frequent and as complete as possible, shall indicate in particular the precautions adopted with a view to prevent the spread of the disease.

*For all diseases in regard to which the present convention imposes or recommends measures, these communications must set out with precision (1) the preventive measures taken with regard to sanitary inspection or to medical investigation, isolation, disinfection,

† A "*foyer*" exists when the occurrence of cases outside the immediate surroundings of the first case or cases proves that the spread of the disease has not been limited to the spot where it made its first appearance.

disinfectisation and, if necessary, vaccination; (2) the measures adopted in the case of outgoing vessels to prevent exportation of the disease, and, in the cases to which Section 5 or 6 of Article 2 applies, the measures taken against rats or mosquitoes.

Article 5.—Governments signing the Convention undertake to reply to any request for information which is made to them by the Office International d'Hygiène Publique in regard to epidemic diseases which occur in their territory.

Article 6.—It is of primary importance that the foregoing provision be promptly and scrupulously complied with.

Notification is of no real value unless every Government be itself informed, in time, of cases of plague, cholera, yellow fever, typhus or smallpox, and also of *suspected cases of these diseases which occur in its territory. The Governments signing the Convention consequently undertake to make the notification of cases of these diseases compulsory.

**Article 7.*—As it is recognised that rats are the principal agents by which human (bubonic) plague is spread, Governments signing the Convention undertake to make use of every possible means to diminish this danger, and to keep themselves informed of the condition of the rats in their ports as regards plague infection, by frequent and periodical examinations. In particular to carry out systematically the bacteriological examination of rats in every plague-infected area, during a period of six months at least from the finding of the last plague-infected rat. The methods adopted in these inspections and the results thereof shall be communicated in ordinary circumstances at regular intervals, and in the case of plague every week or every month, to the Office International d'Hygiène Publique in order that Governments may be kept regularly informed by that Office of the condition of the larger ports in regard to plague amongst rats.

Article 8.—It is recommended that neighbouring countries should make special arrangements with the object of organising direct exchange of information between their principal administrative officers, both as regards territories having a common frontier and as regards territories having close commercial relations. These arrangements shall be communicated to the Office International d'Hygiène Publique.

SECTION II.—*Conditions under which the measures prescribed by the Convention are applicable or cease to be applicable to arrivals from particular areas.*

Article 9.—The notification of *all imported cases of plague, cholera or yellow fever shall not lead to the adoption of the measures prescribed in the following Chapter II in regard to arrivals from the area in which the disease is present.

But these measures may be adopted when a first case of plague or yellow fever has occurred which is recognised as a non-imported case or when the cases of cholera from a *foyer*,* or typhus shows itself in epidemic form.

Article 10.—In order that the measures prescribed in Chapter II may be limited to places which are actually infected, the Governments should only apply them to arrivals from local areas in which plague, cholera, yellow fever or typhus have appeared under the conditions indicated in the second paragraph of Article 9.

The word "local area" denotes a portion of territory defined in the information which accompanies or follows the notification prescribed by Articles 2, 3, 4, and 5 of the present Convention. The local area may, for example, be a province, a government, a district, a department, a canton, an island, a commune, a town, a quarter of a town, a village, a port, a polder, an agglomeration, etc., whatever may be the extent and population of these portions of territory.

But this limitation of an infected local area must be accepted only on the definite condition that the Government of the country* in which this area is comprised shall take the measures necessary (1) for checking the spread of the epidemic and (2) for applying the measures prescribed by Article 12 below.

When a local area is infected by plague, cholera or yellow fever, no restrictive measure shall be taken against arrivals (provinces) from that local area if these arrivals have left it not less than five days' before the determination (constatation) of the first case.

NOTE.—The word "day" every time that it is used in the text of the present Convention means a period of 24 hours.

Article 11.—Measures prescribed by the present Convention shall no longer be applicable to arrivals from a local area where it has been officially established :—

- (1)* That, since the isolation, death or recovery of the last case of *cholera* or *plague*, no fresh case or death shall have occurred during a period of 10 days and that in the case of yellow fever, 20 days have elapsed either after the isolation of the last case, or if the case has not been isolated since the fourth day of the patient's illness.
- (2) That all measures of disinfection and disinfectisation have been* and are being carried out; and, in the case of plague, that measures have been* and are being taken against rats and, in the case of yellow fever, against mosquitoes.

SECTION III.—*Measures at Ports on the Departure of Vessels.*

Article 12.—The competent authority shall take effectual measures:—

- (1) To prevent the embarkation of persons showing symptoms of plague, cholera, yellow fever, typhus or smallpox, and of persons in such relations with the sick as to render them liable to transmit the infection of these diseases;
- (2) In the case of plague or cholera, to prevent the exportation of merchandise or articles of any sort which it may regard as infected and which have not previously been disinfected on shore under the supervision of a medical officer of the public authority;
- (3) In the case of plague, to prevent rats gaining access to ships;
- (4) In the case of cholera, to see that drinking and ballast water taken on board is wholesome;
- (5) In the case of yellow fever, to prevent mosquitoes gaining access to ships;
- (6) *In the case of typhus to secure the delousing of all suspects before their embarkation.

CHAPTER II.

MEASURES OF DEFENCE AGAINST INFECTED REGIONS.

SECTION I.—*Publication of Measures prescribed.*

Article 13.—The Government of each country which considers it necessary to prescribe measures in regard to arrivals from an infected country, undertakes to communicate these measures immediately to the Diplomatic or Consular Agencies of the infected country residing in its capital, as well as to the International Sanitary Boards and to the Office International d'Hygiène Publique.

It also undertakes to communicate the withdrawal of these measures or any modifications thereof, through the same channels.

In the absence of a Diplomatic or Consular Agency in the capital, communications shall be made direct to the Government of the country concerned.

SECTION II.—*Merchandise and Baggage. Importation and Transit.—Disinfection.—Disinsectionisation.—Deratisation. (Plague, Cholera, Yellow Fever and Typhus.)*

Article 14.—No article of merchandise is in itself capable of conveying plague, cholera or yellow fever. Merchandise becomes dangerous only when contaminated by plague or cholera products or when it transmits either fleas or rats which are infected with plague or infected Stegomyia.

Article 15.—The importation of merchandise and baggage arriving by land or by sea may not be prohibited nor may merchandise or baggage be detained at land frontiers or in ports. The only measures which may be prescribed with regard to such merchandise and baggage are specified in the following articles.

- (a) In the case of plague, body linen, wearing apparel and bedding that has been in use may be submitted to disinfection.

Merchandise coming from an infected local area and likely to harbour rats shall be unloaded with the precautions necessary to prevent the escape of rats and to ensure their destruction.

- (b) In cases of cholera the undermentioned articles may be subjected to disinfection ;

- (1) Body linen, wearing apparel and bedding that has been in use ;
- (2) Rags, with the exception of rags compressed and carried in bound bales as merchandise in bulk.

- (c) *In the case of yellow fever, the destruction of mosquitoes may exceptionally be applied to baggage and merchandise.

- (d) *In the case of typhus, body linen, wearing apparel and bedding which has been in use may be submitted to disinfection and disinsectisation.

Article 16.—It rests with the authority of the country to which the merchandise and things are consigned to decide in what manner and at what place disinfection shall be carried out and what shall be the methods adopted to secure the destruction of rats or insects (fleas, mosquitoes, etc.). These operations must be performed in such a fashion as to injure articles as little as possible. Clothes, old rags, infected dressings, papers and other articles of small value may be destroyed by fire.

It rests with each State to settle questions of compensations for damage caused by the disinfection or destruction of the things referred to above and of rats and insects.

If, on account of measures taken to secure the destruction of rats or insects on board ship, charges are levied by the sanitary authority either directly or indirectly through a company or a private person in respect of measures taken to secure destruction of rats and insects on board ship, the rates of these charges must be in accordance with a tariff made public beforehand and so drawn up that the State and the sanitary authority shall, on the whole, derive no profit from its application.

Article 17.—Letters and correspondence, printed matter, book newspapers, business documents, etc., shall not be subject to disin

fection or to any restriction. Parcels conveyed by post shall be subject to restriction only if their contents include articles in regard to which disinfection may be required by the application of Article 15 of the present Convention.

Article 18.—When merchandise has undergone disinfection in accordance with the provisions of Article 15 or 17, the proprietor of such merchandise or his representative has the right to exact from the sanitary authority that has ordered the disinfection, a certificate showing the measures that have been taken.

SECTION III.—*Measures at Ports and Marine Frontiers.*

A.—PLAGUE.

* *Article 19.—Infected Ship.*—A ship shall be regarded as *infected* if there is plague on board or if there have been one or more cases of plague on board within the seven days preceding its arrival or if rats infected with plague have been discovered on board after systematic search has been made.

Suspected Ship.—A ship shall be regarded as *suspected* if there have been (? one or more) cases of plague on board at the time of departure or during the voyage, but no fresh case within the seven days preceding its arrival, or if an unusual mortality among rats on board has been discovered after careful examination. The ship shall continue to be regarded as suspect until it has been subjected to the measures prescribed by the present convention at a suitably equipped port.

Healthy Ship.—A ship shall be regarded as *healthy*, notwithstanding its having come from an infected port if :—

- (a) there has been no death from, or case of, plague on board either before departure, or during the voyage, or on arrival and
- (b) no rats infected with plague have been found on board after systematic search has been made and no unusual mortality among rats has been observed, and
- (c) when unusual mortality among rats has been observed expert examination has proved that this mortality was not due to plague.

Article 20.—Plague infected ships shall undergo the following measures :—

- (1) Medical inspection.
- (2) The sick shall immediately be disembarked and isolated ;
- (3) All persons who have been in contact with the sick and those that the port sanitary authority has reason to consider

suspect shall be disembarked if possible. They may be subject to observation or surveillance,† or to a period of observation followed by surveillance, provided that the total duration of these measures does not exceed seven days from the time of arrival. It rests with the sanitary authority of the port, after taking into consideration the date of the last case, the condition of the ship and the local possibilities, to take that one of these measures which seems to it preferable. The crew may be prevented from leaving the ship during the same period except on duty;

- (4) *Bedding which has been used, wearing apparel and articles belonging to the crew and passengers as are, in the opinion of the sanitary authority, infected shall be disinfected;
- (5) The parts of the ship which have been occupied by persons suffering from plague or which, in the opinion of the sanitary authority, are infected shall be disinfected.;
- (6) The sanitary authority can require deratisation before the discharge of cargo, but in all cases the complete destruction of rats on board must be secured after the discharge of its cargo. Destruction of rats in these cases shall be carried out in such a manner as to avoid as far as possible damage to ship's plating and engines. The operation must not last longer than twenty four hours. In the cases of ships in ballast this process shall be carried out as soon and as rapidly as possible and in any case before taking cargo. *The expenses incurred in these operations of deratisation shall be defrayed in accordance with the terms of Article 16.

† *Note to Article 20. Definitions.*

* Every time that these words occur in the present convention the word "Observation" signifies the isolation of persons, whether on board ship or at a sanitary station, before they obtain free pratique. The word "Surveillance" means that persons are not isolated, that they receive free pratique immediately, but the authorities of the several places whither they are bound are informed of their coming and they are subjected to a medical examination with a view to ascertaining their state of health.

Persons under observation or surveillance must give facilities for all clinical or bacteriological investigations which are considered necessary by the sanitary authority.

In all cases where the present convention refers to "Surveillance" the sanitary authority may substitute "Observation" as an exceptional measure in the case of persons who do not offer adequate sanitary guarantees.

"Crew" means persons who form or have formed part of the crew or staff of the ship and includes stewards, waiters, cafedji, etc. The word must be interpreted in this sense in all instances in which it occurs in the present convention.

If a ship is only to discharge a part of its cargo, and if the port authorities consider that it is impossible to carry out complete deratisation, the said ship may remain in the port for the time required to discharge that part of its cargo, provided that all precautions including isolation, are taken to the satisfaction of the sanitary authority to prevent rats from passing from ship to shore, either when cargo is being unloaded or at other times.

The discharge of cargo shall be carried out under the control of the sanitary authority, who shall take all measures necessary to prevent the staff employed on its duty from becoming infected. The staff shall be subject to observation or to surveillance for a period not exceeding seven days from the time when they have ceased to work at the unloading of the ship.

Article 21.—Plague suspected ships shall undergo the measures indicated under (1), (4), (5) and (6) of Article 20.

The crew and passengers may be subjected, in addition, to a surveillance which shall not exceed seven days reckoned from the date of the arrival of the ship. The crew may be prevented during the same period from leaving the ship except on duty.

Article 22.—Healthy Ships.—In the case of plague, healthy ships shall be admitted to free pratique immediately, whatever their bill of health may be, with the reservation that the sanitary authority of the port of arrival may prescribe the following measures with regard to them ;

- (1) Medical inspection ;
- (2) Disinfection of soiled linen, of wearing apparel and other articles belonging to the crew and passengers, but only in exceptional circumstances when the sanitary authority has special reasons for regarding them as infected ;
- (3) The sanitary authority may, also, in exceptional cases, require the destruction of rats on board under the conditions specified in (6) of Article 20.

The crew and passengers may be subjected to surveillance during a period which shall not exceed seven days reckoned from the date on which the ship left the infected port. The crew may during the same period be prevented from leaving the ship except on duty.

Article 23.—All ships except those employed in coastwise service must be periodically deratised at least once in six months.

The sanitary authority of the port in which deratisation has been effected shall deliver to the captain, to the owner, or his agent, a certificate stating the date of the operation, the port where it was carried out and the technique employed.

It is recommended that the sanitary authorities of ports should take the above-mentioned certificate into account in considering what measures should be taken especially with regard to action undertaken Article 22 (3).

The sanitary authority of the port of arrival may demand in the case of every ship the presentation of a certificate of deratisation performed at any time within six months, and if the ship does not satisfy this condition may require it to be deratised under the conditions specified in (6) of Article 20.

The competent authority of each country undertakes each year to furnish the Office International d'Hygiène Publique with a résumé of the measures taken in the chief ports of the country to give effect to the requirements of this Article, as well as the number of ships, other than coastwise, which have been subjected to deratisation at those ports.

It is recommended that the Signatory Governments should make regulations for the periodic deratisation of their coastwise vessels.

B.—CHOLERA.

Article 24.—Infected Ship.—A ship shall be regarded as *infected* if there is a case of cholera on board, or if there have been one or more cases of cholera during the five days previous to the arrival of the ship in port.

Suspected Ship.—A ship shall be regarded as *suspected* if there have been cases of cholera at the time of departure or during the voyage, but no fresh case in the five days previous to arrival. The ship shall continue to be regarded as suspect until it has been subjected to the measures prescribed by the present convention at a suitably equipped port.

Healthy Ship.—A ship shall be considered *healthy* if there have been no deaths from, nor case of cholera either before departure, or during the voyage or on arrival.

Cases presenting the clinical symptoms of cholera in which*no cholera vibrios have been found, or in which bacteriological examination has revealed vibrios not strictly conforming to the test for cholera vibrio, shall be subject to all measures required in the case of cholera.

Article 25.—Infected Ships.—In the case of cholera, *infected ships* shall undergo the following measures :—

- (1) Medical inspection ;
- (2) The sick shall be immediately disembarked and isolated ;

- (3) The other persons may also be disembarked and either be kept under observation or subjected to surveillance during a period which shall vary with the health conditions of the ship and the date of the last case, but it shall not exceed five days reckoned from the arrival of the ship. Provided that this period be not exceeded, the sanitary authority may proceed to bacteriological examination as far as is necessary.
- (4) *Bedding which has been used, wearing apparel and articles belonging to the crew and passengers as are, in the opinion of the sanitary authority of the port, infected shall be disinfected ;
- (5) The parts of the ship that have been occupied by persons ill with cholera or that the sanitary authority regard as infected shall be disinfected ;
- (6) Unloading shall be carried out under the supervision of the sanitary authority who will take all measures necessary in order to prevent the infection of the staff engaged in unloading. The staff shall be subjected to surveillance which shall not exceed five days from the time when they ceased unloading ;
- (7) When the drinking water stored on board is suspected it shall be emptied out after disinfection and replaced after disinfection of the reservoirs by a supply of wholesome drinking water.

The sanitary authority may prohibit the emptying of water ballast in port without previous disinfection if it has been taken in at an infected port.

It may prohibit human dejecta or waste water from a ship from being drained or casting in the waters of a port without preliminary disinfection.

Article 26.—Cholera Suspected Ships.—In the case of cholera, suspected ships shall undergo the measures prescribed in (1), (4), (5) and (7) of Article 25.

The crew and passengers may be subjected to surveillance during a period which must not exceed five days, reckoned from the arrival of the ship. It is recommended that the crew be prevented during the same period from leaving a ship except on duty.

Provided that the measures permitted by the preceding paragraph are not exceeded, the sanitary authority may proceed to bacteriological examination as far as is necessary.

The sanitary authority may prohibit the emptying of water ballast in port without previous disinfection if it has been taken in at an infected port.

*The emptying or discharge of human dejecta, as well as the waste waters of the ship, into the waters of the port may be forbidden, unless they have been previously disinfected.

Article 27.—Clinical Cholera.—If the ship has been declared infected or suspected on account only of a case on board presenting the clinical features of cholera, and to competent bacteriological examinations made with an interval of not less than 24 hours between them have not revealed the presence of cholera or cholera-like vibrios, the ship shall be considered healthy.

Article 28.—Healthy Ships.—In the case of cholera *healthy ships* shall be given free pratique immediately whatever their bill of health may be.

The only measures that the authority of the port of arrival may prescribe as regards these ships are those specified in (1), (4) and (7) of Article 25.

The sanitary authority may prohibit the emptying of water ballast in port without previous disinfection if it has been taken in at an infected port.

*The emptying or discharge of human dejecta, as well as the waste waters of the ship, into the waters of the port may be forbidden, unless they have been previously disinfected.

The crew and the passengers may be subjected to surveillance during a period which shall not exceed five days reckoned from the date on which the ship left the infected port.

It is recommended that the crew be prevented during the same period from leaving the ship except on duty.

C.—YELLOW FEVER.

Article 29.—Infected Ship.—A ship shall be regarded as *infected* there have been one or more cases of yellow fever on board at the time of departure or during the voyage.

Suspected Ship.—A ship shall be regarded as *suspected* if it arrives from an infected port (or from a port in close relation with an endemic centre of yellow fever in regard to the sanitary state of which, by reason of the insufficiency of its sanitary organisation, no sufficient information is available), although there has been no case of yellow fever on board, if the voyage has lasted less than six days or, if, when the voyage has lasted six days or more, the vessel does not fulfil the conditions specified in sub-sections (a) and (b) of the following paragraph.

Healthy Ship.—A ship shall be regarded as *healthy*, notwithstanding its having come from an infected port or from a port such as that referred to in the preceding paragraph, if not having had any case or cases of yellow fever on-board and having made a voyage of more than six

days, it is proved to the satisfaction of the sanitary authority of the port of arrival—

- (a) That the ship during its stay in the port of departure has been moored at a distance of at least 200 metres from the inhabited shore and at such a distance from harbour vessels (pontoons) as to make the access of *stegomyia* improbable;
- (b) That the ship, at the time of departure has been effectively fumigated in order to destroy mosquitoes.

Article 30.—Yellow Fever Infected Ships.—Ships infected with yellow fever shall undergo the following measures:

- (1) Medical inspection;
- (2) The sick shall be disembarked by day under protection from the bites of mosquitoes and shall be duly isolated. These precautions are only necessary for persons who have not reached the fourth day of sickness;
- (3) The other persons who are disembarked shall be kept under observation or surveillance during a period which shall not exceed six days reckoned from the date of disembarkation;
- (4) The ship must be moored, whenever possible, at least 200 metres from the inhabited ashore and at such a distance from the harbour boats (pontoons) as will render the access of *stegomyia* improbable;
- (5) The destruction of mosquitoes shall be carried out on board in all parts of the ship, as far as possible before discharge of cargo. This discharge shall be carried out under the control of the sanitary authority, which will take all the measures necessary to prevent infection of the personnel employed in unloading. This personnel will be subjected to observation or to surveillance for a period not exceeding six days from the time at which they have ceased unloading.

Article 31.—Yellow Fever Suspected Ships.—Ships suspected of yellow fever may undergo the measures specified in (1), (3), (4) and (5) of Article 30.

Nevertheless, if the voyage has lasted less than six days and the ship complies with the conditions specified under paragraph (a) and (b) of Article 29 relating to healthy ships, the ship shall only be submitted to the measures prescribed by Article 30 (1) and (3) as well as to fumigation.

When 20 days have been completed after the departure of the ship from the infected port, and no case has occurred during its voyage

the ship may be granted free pratique subject to fumigation should the sanitary authority consider this to be necessary.

Article 32.—Healthy Ships.—Healthy ships shall be granted free pratique after medical inspection, but the sanitary authority may nevertheless in appropriate circumstances require the ship to be fumigated before unloading.

Article 33.—The measures prescribed in Articles 30 and 31 concern only those regions in which the stegomyia exists and they shall be applied with due consideration to the climatic conditions prevailing in the countries concerned.

In other regions they shall be applied to the extent considered necessary by the sanitary authority.

Article 34.—The masters of ships which have touched at ports infected with yellow fever, are specially advised to cause a search to be made for mosquitoes and their larvæ during the voyage and to secure their systematic destruction in all accessible parts of the ship, particularly in the store rooms, galleys, boiler rooms and other places specially likely to harbour stegomyia.

D.—TYPHUS.

Article 35.—Ships which, during the voyage or at the time of their arrival, have one or more cases of typhus on board, or which carry persons who have quitted areas in which typhus epidemic less than 12 days before the arrival of the ship, shall undergo the following measures :—

- (1) Medical inspection.
- (2) The sick shall immediately be disembarked, isolated and deloused.
- (3) Other persons reasonably suspected to harbour lice, or to have been exposed to infection shall also be deloused, and may be subjected to surveillance, during a period which shall be specified in each case, but which in any event shall not exceed 12 days reckoned from the date of arrival of the ship.
- (4) Bedding which has been used, wearing apparel, and articles belonging to the crew and passengers as the sanitary authority of the port considers to be infected shall be disinfected and disinfected.
- (5) The parts of the ship which have been occupied by persons ill with typhus, or that the sanitary authority regard as infected, shall be disinfected and disinfected.
- (6) The ship shall immediately be given free pratique.

E.—SMALLPOX.

Article 36.—In the case of ships which have had one or more cases of smallpox on board either at the time of departure or during the voyage, *it is recommended* that the following measures shall be adopted as far as possible:—

- (1) Medical inspection.
- (2) The sick shall immediately be disembarked and isolated.
- (3) Other persons reasonably suspected to have been exposed to infection on board, and who, in the opinion of the sanitary authority are not sufficiently protected by recent vaccination, or by a previous attack of smallpox, may be subjected to surveillance, during a period which shall be specified in each case according to the circumstances, but which in any event shall not exceed 14 days reckoned from the date of arrival of the ship.
- (4) Bedding which has been used, wearing apparel and articles belonging to the crew and passengers as the sanitary authority of the port considers to be infected, shall be disinfected.
- (5) The parts of the ship which have been occupied by persons ill with smallpox, or that the sanitary authority regards as infected shall be disinfected.
- (6) The ship shall immediately be given free pratique.

F.—REGULATIONS COMMON TO THE ABOVE DISEASES.

Article 37.—The ship's doctor or, failing him, the captain, must answer all questions that are put to him by the sanitary authority with regard to the health of the ship during the voyage.

The sanitary authority may require from the ship's doctor, or failing him, from the captain, a certificate on oath, attesting that there has not been any case of plague, cholera, yellow fever, typhus or smallpox on the ship since the time of its departure and that no unusual mortality among rats has been observed.

Article 38.—In applying the measures specified in the preceding subsections A, B, C and D, the fact of a ship carrying a doctor and apparatus for disinfection and disinsection shall receive due consideration on the part of the sanitary authority, as well as the actual preventive measures taken in the course of the voyage.

In the case of plague, like consideration shall be given when the ship is provided with apparatus for the destruction of rats.

The sanitary authorities of States that find it convenient to come to an agreement on the matter may dispense with medical inspection and other measures, in cases of healthy ships carrying a doctor specially commissioned by their country.

Article 39.—Special measures (particularly, in the case of plague the unloading of cargo with a view to complete deratisation) may be prescribed as regards ships that are in an insanitary condition especially those which are overcrowded.

Article 40.—Ships refusing to submit to measures prescribed by a port authority, in virtue of the provisions of this Convention, shall be at liberty to put out to sea.

Such ships may, however, be permitted to land goods if the ship is isolated and* that, as regards plague, cholera and yellow fever, the goods are subjected to the measures laid down in Chapter II, Section II, of the present Convention.

Such ships may also be authorised to disembark passengers at their request, on the condition that such passengers submit to the measures prescribed by the sanitary authority.

Article 41.—Ships from an infected place that have undergone adequate sanitary measures in a port belonging to one of the countries which adhere to the Convention shall not be subjected to those measures a second time, upon their arrival at a new port belonging to the same or to another country, provided that no incident calling for fresh measures has occurred in the interval, and no call has been made at an infected port. A ship shall not be regarded as having called at a port if she has landed passengers only and their luggage or mails, without having been in communication with the shore, or if she has taken on board only mails, or passengers with or without their luggage, who have not communicated with the port or with an infected area. In the case of yellow fever the ship must, in addition, have kept as far as possible from inhabited land and at such distance from harbour boats (pontons) as to make access of stegomyia improbable.

Article 42.—The authority of the port which imposes sanitary measures shall, when requested, furnish the captain, the ship-owner, or the ship-owner's agent, with a certificate specifying the nature of the measures and the cause of their application.

Article 43.—Passengers arriving by an infected ship are entitled to exact from the sanitary authority of the port, a certificate showing the date of their arrival, and the measures taken as regards themselves and their baggage.

Article 44.—Coasting traffic shall be dealt with by special regulations to be agreed upon by the countries concerned. In such cases the requirements of Article 23 of the present Convention should be made applicable to them.

Article 45.—The Governments of States, bordering upon the same sea, taking into account their particular situation, may conclude special agreements amongst themselves, in order to make the sanitary measures prescribed by the Convention more efficacious and less burdensome.

Article 46.—It is desirable that the number of ports furnished with an organisation and equipment sufficient for the reception of a ship, whatever its health conditions may be, should be in each country in proportion to the importance of the trade and shipping. Meanwhile, without prejudice to the right of Governments to make agreement for the establishment of common sanitary stations, every country must provide at least one port on each of its sea-boards with the above-mentioned organisation and equipment. Moreover it is recommended that all large seaports should be so equipped that healthy ships at any rate, may be subjected, upon their arrival, to the prescribed sanitary measures and may not be sent to another port for this purpose. Every infected or suspected ship which arrives in a port* not equipped for its reception may be sent, at its own risk and peril, to one of the ports which is open to ships of the category to which it belongs.

Governments shall make known what ports are open to arrivals from ports infected with plague, cholera or yellow fever, and in particular those open to infected and suspected ships.

Article 47.—It is recommended that there be provided in large seaports—

- (a) A properly organised port medical service, and permanent medical supervision of the health condition of crews and of the population of the port.
- (b) An equipment for the transport of the sick and suitable accommodation for their isolation, and for keeping suspected persons under observation.
- (c) Installations necessary for efficient disinfection and disinsectisation; bacteriological laboratories, and arrangements to ensure immediate vaccination against smallpox or against other diseases.
- (d) A supply of drinking water of quality above suspicion at the disposal of the port, and a system as effective as possible for the removal of excrement, refuse and sewage.
- (e) A competent and adequate staff and necessary equipment for the deratisation of ships, docks and warehouses.

Article 48.—It is likewise recommended that contracting States should take into consideration in their treatment of persons arriving from a country the measures which that country has adopted for dealing with infectious diseases and for preventing their exportation.

SECTION IV.—*Measures at Land Frontiers.*—*Travellers.—Railways.—Frontier Zone.**River-ways.*

Article 49.—In regard to plague, cholera, yellow fever, typhus and smallpox, land quarantine must not be resorted to. Only such persons as show symptoms of these diseases may be detained at frontiers.

This principle does not deprive a State of the right to close a portion of its frontiers in case of need.

Article 50.—In trains coming from infected areas it is important that the railway staff keep watch over the state of health of travellers.

Article 51.—Medical intervention shall be limited to inspection of, travellers and care of the sick. When this inspection is resorted to it shall, as far as possible, be combined with the Customs examination in order that travellers may suffer as little delay as possible. Only those persons who are visibly ailing shall be subjected to thorough medical examination.

Article 52.—Travellers coming from an area which falls within the conditions indicated in the first paragraph of Article 10 of the present Convention may be subjected to surveillance for a period which should not exceed seven days reckoned from the date of their arrival in the case of plague, five days in the case of cholera, six days in the case of yellow fever, and twelve days in the case of typhus.

Article 53.—In the case of plague, cholera, yellow fever, smallpox and typhus, the Governments, notwithstanding the provisions of the preceding Articles, reserve the right of taking special measures in regard of certain classes of persons who do not present satisfactory sanitary guarantee, especially gipsies and vagrants, as well as emigrants and persons travelling or crossing the Frontier in bands.

These measures may include the establishment at the frontiers of sanitary stations where arrangements are made to ensure the surveillance of the persons concerned, as well for their medical examination, disinfection, disinsectisation and vaccination.

Wherever possible, these exceptional measures of surveillance should be made the subject of special arrangements between the adjoining States.

Article 54.—Railway carriages for passengers mails or luggage may not be detained at the frontier. If one of the carriages be infected or shall have been occupied by persons suffering from plague, cholera, typhus, or smallpox, it shall be detached from the train for disinfection, and disinsected if necessary at the earliest possible moment.

The same procedure shall apply in the case of goods trucks.

Article 55.—Measures relative to the crossing of frontiers by railway and postal staff come within the scope of the administrations concerned. They should be arranged so as not to hamper the service.

Article 56.—The sanitary control of river-ways is a matter for special arrangement by the Governments of States abutting thereon.

No. 1619/218 of the 5th July 1923.

**From the Chamber to the Government of Bombay
(General Department).**

Revision of Part I of the International Sanitary Convention.

I have the honour to acknowledge the receipt of your letter No. 1701-D., dated the 21st June 1923, and the accompanying copy of a letter No. 3322, dated the 14th June 1923, from the Government of India on the subject noted above.

2. In reply I am to state that as regards Article 12 (3) of Part I of Chapter I, Section III, which reads :

“The competent authority shall take effectual measures in the case of plague to prevent rats gaining access to ships.”

my Committee are of the opinion that the precautions already taken in Bombay are as effectual as can be devised.

3. With regard to Article 23 of Chapter II, Section III, on which the Government of India especially invite commercial opinion, I am to say that in my Committee's opinion when the Government of India consider the advisability and feasibility of insisting that all ships, except those employed in the coastwise service, should be periodically deratised at least once in six months, they should bear in mind the cost of about Rs. 600 to Rs. 700 and the delay of about 24 hours that will be entailed each time a ship is deratised, but I am to add that should it be considered essential in the interest of health that ships should be so deratised my committee do not wish to raise any objection, although they think that under no system will it be possible to obtain the end sought after, namely, absolutely ratless ships.

APPENDIX P-1.

"RECEIVED FOR SHIPMENT" BILLS OF LADING.

No. 739-A. C. of the 9th August 1923.

**From the Associated Chambers of Commerce of India
and Ceylon, Bombay, to the Chamber.**

"Received for Shipment" Bills of Lading.

I am directed to hand you the appended copy of a letter from the Government of India and to request you to favour me with an early reply to the question contained therein.

No. 4163 of the 6th August 1923.

**From the Government of India (Department of Commerce),
Simla; to the Associated Chambers of Commerce
of India and Ceylon, Bombay.**

"Received for Shipment" Bills of Lading.

I am directed to request that you will be so good as to inform me whether "Received for Shipment" Bills of Lading are used to any extent in Indian import or export trade or at all. The favour of an early reply is requested.

No. 1880-115 of the 16th August 1923.

**From the Chamber to the Associated Chambers of
Commerce of India and Ceylon, Bombay.**

"Received for Shipment" Bills of Lading.

I am directed to acknowledge the receipt of your letter No. 739-A.C., dated the 9th August 1923, and the accompanying copy of a letter from the Government of India on the subject noted above.

In reply to the enquiry of the Government of India, I am to inform you that my Committee have never known "Received for Shipment" Bills of Lading to be used in the export trade from Bombay. But as regards the Bombay import trade, various lines occasionally use Bills of Lading containing clauses such as the following :—

- (1) "Shipped or delivered for shipment in apparent good order and condition by——— in or upon s. s.———."
- (2) "Shipped or delivered with a foot note since shipped."
- (3) "Received in apparent good order and condition from——— to be transported per s.s.———"

APPENDIX P-2.

BILLS OF LADING IN RESPECT OF CARGO FOR FRENCH PORTS.

Dated the 10th April 1923.

**From Messrs. Forbes, Forbes, Campbell & Co., Ltd.,
Bombay, to the Chamber.**

A few months ago the various Shipping Companies in Bombay that carry cargo for French Ports, advised us, amongst other shippers, that it would be necessary for us in future to sign our name on the face of Bills of Lading, in the opposite corner to the signature of the Captain or Agents, as an acceptance of the clauses and conditions contained in the Bills of Lading. They further informed us that this signature was required by the French Commercial Code.

It appeared to us that a signature of this nature might easily be construed as making the Bill of Lading negotiable inasmuch as a signature of any sort across a Bill of Lading

by the Shipper is in general use for purposes of negotiating a Bill of Lading. We, therefore, proposed to the Shipping Companies, after consulting our Solicitor, to sign our name in the required place under the following formula, *viz* :—

“ Our signature below is solely to evidence, in accordance with French Law, our acceptance of the terms of this Bill of Lading.”

We contended that a signature of this nature, contained nothing contentious, was fully in accordance with French Law, protected the Shippers and should therefore be acceptable to the Shipping Companies.

All the Shipping Companies, with the exception of the British India Steam Navigation Co., Ltd., have accepted our signature in this form. As regards the latter Company, we enclose herewith copies of two letters addressed by us to them which clearly state the position from our point of view. We also enclose copies of four letters received by us from the B. I. S. N. Co., Ltd., which give their point of view.

The only comment we have to add to this correspondence is, that while the French Commercial Code may specifically lay down that a signature on the Face of a Bill of Lading does not render the document negotiable, our business is transacted, in the main, in British Territory, where this Code does not apply and we still contend that a signature by us on the face of a Bill of Lading may be construed within British Territory, as rendering the document negotiable.

As the principle involved is one that affects not only us, but other Shippers, we shall be glad to have the opinion of your Committee,

- (a) as to whether they agree with our contention regarding the possibility of our signature on the face of a Bill of Lading rendering the document negotiable.

- (b) if the answer is in the affirmative, whether or not our signature as qualified, is in any way contentious and whether an effort should not be made through the medium of the Chamber to introduce a uniform practise as regards French Bills of Lading throughout India,

We are given to understand that certain Shippers have agreed to sign on the face of Bills of Lading as required by the B. I. S. N. Co., Ltd., but the point of view from which we have looked at the matter may not have occurred to them.

Dated the 2nd February 1923.

**From Messrs. Forbes, Forbes, Campbell & Co.,
Ltd., Bombay, to the British India Steam
Navigation Co., Ltd., Bombay.**

We beg to acknowledge receipt of your letter of 30th ultimo, the contents of which have had our attention.

Although we understand that cargo carried under the British Flag is subject only to British law, irrespective of ultimate destination, and that under such law there is no legal obligation for shippers to subscribe such a signature as you require, we agree to comply with your request and in future Bills of Lading will be submitted to you bearing our signature on the face and under the following which is an actual compliance with your letter under reply :—

“Our signature below is solely to evidence, in accordance with French Law, our acceptance of the terms of this Bill of Lading.”

No. B. L. 411 of the 14th February 1923.

**From the B. I. S. N. Co., Ltd., Bombay, to Messrs. Forbes,
Forbes, Campbell & Co., Ltd., Bombay.**

Cargo for French Ports.

We are in receipt of your Cotton Department's letter of 2nd instant in above connection and note all you write.

We are agreeable to accept your signature on Bills of Lading under the following endorsement :—

“Our signature below is solely to evidence in accordance with French Law, our acceptance of the terms and conditions of this Bill of Lading.”

No. B. L. 644 of the 8th March 1923.

**From the B. I. S. N. Co., Ltd., Bombay, to Messrs. Forbes,
Forbes, Campbell & Co., Bombay.**

French Bills of Lading.

In continuation of previous correspondence in above connection, we have to advise having received intimation by the mail from our London House that they have consulted French legal opinion on this question.

They are informed that the French Law requires that shippers sign Bs/Lading on the front in the opposite corner to the signature of the Captain or Agents. This simple signature is looked upon by the French Tribunal as an acceptation of the clauses and conditions contained in the B/Lading, and being on the front of the bill, does not constitute an endorsement. In their opinion, shippers cannot take exception to the simple signing of the bill in left hand bottom corner, which, according to French Law, is not an endorsement, but a signature certifying the B/Lading has been read and accepted before shipment.

In these circumstances, and in view of this opinion, we regret we cannot agree to any conditional signing of Bs/Lading and would ask you in future to sign Bs/Lading as indicated, which according to French Law, merely confirms that shippers conform to the clauses and conditions under which the cargo is to be carried.

Dated the 13th March 1923.

**From Messrs. Forbes, Forbes, Campbell & Co., Ltd.,
Bombay, to the British India Steam Navigation Co.,
Ltd., Bombay.**

In reply to yours of 8th instant, our signature on the front of the Bill of Lading appears as desired. Since, as stated in your letter, the simple signature is looked upon by the French Tribunal as an acceptation of the clauses in the Bill of Lading, the formula above our signature is in complete harmony with the view of the French Tribunal as it definitely states our acceptance of the terms of the Bill of Lading

Below we show in one column the quotation from your letter and opposite it in another column the formula above referred to:—

*Letter.**Formula.*

"This simple signature is looked upon by the French Tribunal as an acceptance of the clauses and conditions contained in the Bill of Lading and being on the front of the bill does not constitute an endorsement."

"Our signature below is solely to evidence, in accordance with French Law, our acceptance of the terms of this Bill of Lading."

We venture to submit with some confidence that by no stretch of imagination could the formula above our signature be held to be in any way a contradiction of the view of the French Tribunal. On the contrary it is a complete endorsement of that view.

We therefore submit that we have in definite terms complied with all that French requirements really demand. The only difference between us is that you ask the meaning and effect of our signature as understood between all concerned, to be left to imagination or at least to inference, whereas we state it in exact terms which seems more businesslike.

Finally you will readily appreciate that from the business point of view it is always objectionable to sign in blank with nothing above the signature to show why the signature is there and how far it is intended to bind the signatory thereby. One reason for this objection is that such signature is in general use for purposes of negotiating a bill of lading or a bill of exchange, and as you say in your letter under reply, our signature is not intended to be by way of negotiation.

It appears to us that the above is a very valid objection and in view of the considerations stated, we shall be much obliged if you will be so good as to submit a copy of this letter to your London house with a view to their laying this representation before the French officials concerned, as the matter is not one in which there ought to be from the business point of view any real difficulty between shippers and owners, or between these parties and the French authorities concerned.

No. B. L. 842 of the 29th March 1923.

**From the B. I. S. N. Co., Ltd., Bombay, to Messrs. Forbes,
Forbes, Campbell & Co., Ltd., Bombay.**

French Bills of Lading.

In continuation of our letter No. B. L. 764 of 19th instant, we sub-join for your information the views of our Managing Agents in above connection:—

"We regret we cannot agree to the addition of any clause above the signature of shippers on French Bills of Lading, firstly because

the French Commercial Code requires only the signature and secondly because a clause is unnecessary. Presumably under French Law and certainly in Commercial practice a transfer of right in the goods can only be effected by an endorsement of the Bill of Lading and there is therefore no question of the signature of the shipper on the face of the Bill of Lading being mistaken for such a transfer. There is no question of the meaning or effect of the signature on the face of the Bill of Lading being left to the imagination or to inference as its specific purpose is laid down in the French Commercial Code."

In view of the above we shall require your signature on Bills of Lading as indicated in our letter No. B. L. 644 of 8th instant.

No. B. L. 933 of the 6th April 1923.

**From the B. I. S. N. Co., Ltd., Bombay, to Messrs. Forbes
Forbes, Campbell & Co., Ltd., Bombay.**

French Bills of Lading.

We are in receipt of your Cotton Department's letter of 3rd instant and note what you write.

As the instructions from our Managing Agents are definite on this point, we regret we cannot accept your Bills of Lading for French Ports with any qualified endorsement but must ask you to merely put your signature on the face of Bills of Lading as required by French Law.

No. 1116/169 of the 4th May 1923.

From the Chamber, to the London Chamber of Commerce.

A few months ago the various Shipping Companies in Bombay that carry cargo for French Ports declared that it would be necessary for Shippers in future to sign their name on the face of Bills of Lading, in the opposite corner to the signature of the Captain or Agents, as an acceptance of the clauses and conditions in the Bills of Lading. They further stated that this was required by the French Commercial Code.

2. My Committee have been informed that the Article of the French Commercial Code that requires Bills of Lading to be signed by the Shipper is of long standing but has been allowed to remain in abeyance. Owing to a recent decision

in the French Courts, however, whereby the Court held that the Article must be strictly enforced in future, the Agents of all Shipping Companies have been instructed to see that the French Law is complied with.

3. It appears that the signature of the Shipper might be construed as making the Bill of Lading negotiable inasmuch as a signature of any sort across a Bill of Lading by the Shipper is in general use for purposes of negotiating a Bill of Lading. A certain firm of exporters, therefore, proposed to the Shipping Companies, after consulting their solicitors, to sign their name in the required place under the following formula :—

“ Our signature below is solely to evidence, in accordance with French Law, our acceptance of the terms of this Bill of Lading.”

They contended that a signature of that nature, contained nothing contentious, was fully in accordance with French Law, protected the Shippers and should therefore be acceptable to the Shipping Companies, but my Committee understood from the latter that French Law does not admit of any qualification of the signature.

4. The firm of exporters laid the matter before my Committee. In doing so they pointed out that while the French Commercial Code may specifically lay down that a signature on the face of a Bill of Lading does not render the document negotiable, their business is transacted, in the main, in British Territory, where the French Code does not apply, and they contend that their signature on the face of a Bill of Lading might be construed within British Territory as rendering the document negotiable.

5. The principle involved is one of wide application and my Committee would be very pleased if you would favour me with the opinion of the London Chamber of Commerce,

- (1) as to whether they agree with the contention that the Shipper's signature on the Face of a Bill of Lading renders the document negotiable,

- (2) if the answer to (1) is in the affirmative, whether or not the Shipper's signature under the formula cited in paragraph 3 above is in any way contentious.

6. My Committee would also deem it a favour if you would inform me, as soon as may be convenient to you, what is the practice in the above connection in regard to Bills of Lading relating to goods exported from the British Isles to France.

No. 1197/169 of the 11th May 1923.

From the Chamber to the London Chamber of Commerce.

With reference to my letter No. 1116/169, dated the 4th May 1923, on the subject of the signature of shippers on the face of Bills of Lading relating to cargo for French Ports, I am now directed to inform you that it has been intimated to the Chamber by one of the leading Shipping Agents in Bombay that their home office has told them by this morning's mail that according to French Law there is no objection to the shipper's signature appearing under a qualification or formula such as was cited in my letter No. 1116/169 of the 4th May.

The questions, therefore, set out in paragraph 5 of my letter and upon which my Committee desired to be informed of your Chamber's opinion, do not now arise and accordingly I am to request you to regard my letter of the 4th May as cancelled.

I am to apologise for having troubled you unnecessarily and to say that it is hoped that this letter will reach you before your Chamber has taken any action with regard to my previous letter.

APPENDIX Q-1.

LANDING OF CARGO BY NIGHT IN THE BOMBAY DOCKS.

Report of Sub-Committee consisting of Messrs. J. R. Abercrombie, H. Black and L. C. Herne appointed to advise the Committee of the Bombay Chamber of Commerce in connection with (i) The proposed amendment of Port Trust By-Law No. 79, and (ii) The desirability of improvement in the present system of tallying and remarking on cargo landed at the docks.

During the consideration of the questions presented to us under the terms of reference of this Sub-Committee, namely, to advise you in connection with :—

- (i) The proposed amendment of the Port Trust By-Law No. 79, which reads “79. The Trustees will accept no liability or responsibility whatsoever in respect of goods landed at night,” and
- (ii) The desirability of improvement in the present system of tallying, and remarking on cargo;

we have paid special attention to your letter to the Port Trust No. 1035-167, dated the 26th June 1922, on the above subjects and the reply, letter No. 1135, dated the 13th November 1922, and we set out below the general lines upon which we recommend that a further representation should be made to the Port Trust in the form of a reply to their letter above-mentioned.

2. In the first place, in reply to the third paragraph of the letter from the Secretary of the Port Trust wherein he states, that it is believed that within recent months there has been a considerable increase in the accuracy of the tallying, that few instances show an inaccuracy of more than $2\frac{1}{2}$ per cent. and, that the Chairman of the Port Trust would be pleased to be informed of any bad instances of tallying; we would

point out that after having made enquiries in this matter it is our well considered opinion that no noticeable improvement has taken place during the period mentioned and we attach particulars of the tally of a cargo ex s. s. "City of Genoa" which show an error of over 10 per cent.

3. In the abovementioned correspondence between the Chamber and the Port Trust, three distinct questions appear to be involved, *viz.*—

- (a) Whether the Port Trust should accept liability for goods landed at night;
- (b) whether the remarks passed on cargo should be made by the tally clerks or by a separate staff; and
- (c) whether the remarks should specify the numbers and mark of the packages to which they relate or merely the marks

and we subjoin our recommendations on these questions, *seriatim* below:—

- (a) We are most strong in our conviction that the Port Trust should take the same responsibility for goods landed at night as they do for goods landed during the day.

On the one hand, we consider this to be desirable on account of the fact that it would speed up the loading and unloading of vessels trading at this Port and also because it would afford a great general convenience to Importers, Exporters and Shipping Companies; on the other hand, after having examined this matter very carefully and in great detail we cannot find any good reason why the Port Trust should not take this responsibility.

The arguments that are raised by the Port Trust against this proposal are based upon the alleged insufficient lighting of the docks, but we are unable to agree with these contentions. We consider that the lighting of the docks is at present quite adequate for the purpose in question, indeed some parts of the sheds are lighted better by night than by day; this is particularly noticeable during the monsoon months. The Alexandra Docks are not so well lit but we are of opinion that the present lighting is adequate and that better lighting could be easily and cheaply provided if considered necessary. In any case the lighting of the docks is at present sufficient for stacking packages by marks so it appears unreasonable to maintain that it is not sufficient for noting the conditions of the goods.

In this connection the Secretary to the Port Trust states that "The expense of additional lighting would have to be recovered by an increase of charges" (*vide* para. 6 of his letter abovementioned). We are of the opinion, however, that no increased charges will be needed as we consider that the increase in revenue accruing to the Port Trust on account of the consequent quicker turn round of ships will more than compensate the Port Trust for the cost of the slight increase in lighting that may be required. In spite of the present slackness of trade, the necessity in normal times for expeditious loading and unloading must not be overlooked.

Nor do we agree that increased charges should be made for the extra staff required for night work. The staff required will be roughly proportional to the work done and it appears to us to be irrelevant whether the work is done by day or by night. Presumably the fees at present charged for day work pay for the day staff and similar fees charged for night work should pay for the night staff.

To sum up our recommendation under this heading:—On account of the manifest advantages that will result, we advocate that the Port Trust should accept responsibility for goods landed at night and we do not think that it will be found necessary for any extra charges to be levied for goods so landed.

- (b) On this question we are in agreement with the opinion expressed by the Secretary to the Port Trust (*vide* para. 4 of his letter), namely, that it will be better to continue the present system, whereby the remarks are not made by the tally clerks, but by a separate staff, rather than organise a new system whereby the remarks in addition to the tallies would be entered by the tally clerks.

In our opinion the accuracy of the tallies and the remarks would be considerably improved if the staffs concerned were subject to closer and more frequent supervision. We suggest, therefore, that tests of the accuracy of these staffs should be made at frequent intervals and that the clerks responsible for the preparation of any inaccurate tally or remarks should be suitably dealt with.

In this connection we advocate that the Port Trust be requested to instruct their remarks clerks to take more care that their remarks are accurate and correctly describe the nature of the damage that has occurred to the packages.

- (c) We are of the opinion that the Chamber should again represent to the Port Trust that it is essential that the remarks clerks should enter the number as well as the mark of the packages to which the remarks refer.

We consider that the increase in the precision and utility of the remarks that will result from carrying out this proposal will well repay the extra work involved.

4. In conclusion, we may sum up our recommendations as below :—

- (a) We most strongly recommend that the Port Trust should accept liability for goods landed at night, without increasing their charges in that respect.
- (b) We consider that the present system of employing separate staffs for keeping tallies and passing remarks is sound and should not be altered but we advocate that both staffs be subject to greater supervision.
- (c) We recommend very strongly that the numbers as well as the marks of packages should be entered opposite the remarks passed on cargo.

S. S. CITY OF GENOA.

Arrived 23rd October 1922.

All the cargo was discharged at Bombay and by day only.

Statement of cargo for Bombay and receipts granted by Dock Department.

	Packages.
Manifested quantity.. ..	41,762
<i>Add</i> excess	2
	41,764
<i>Deduct</i> short-landed	21
	41,743
<i>Deduct</i> discharged in lighters ..	1,330
	40,413
Receipt granted by Dock Department	36,200
Short receipt for packages ..	4,213

No. 211-84 of the 26th January 1923.

From the Chamber to the Bombay Port Trust, Bombay.

I am directed to refer to your letter No. 1135, dated the 15th November 1922, in which you reply to my letter, No. 1035-167, dated the 26th of June 1922, suggesting that the provision whereby the Trustees do not accept liability in respect of goods landed at night should be altered and asking for improvement in the present system of tallying and remarking on cargo.

2. In the foregoing connection I am desired by my Committee to inform you that your letter under reference has been the subject of very careful consideration both by the General Committee and by a Special Sub-Committee to which it was referred in the first instance. The conclusions at which my Committee have now arrived are, however, of a somewhat controversial nature and admit of argument on both sides and I am accordingly to suggest that, having regard to the invitation kindly extended to them in the last paragraph of your letter, the matter is one which might at this stage form the subject of an informal conference between representatives of both sides.

3. If the above suggestion meets with the approval of your Chairman, I am further to propose for his consideration that he himself, accompanied by Mr. Sharpe, Mr. Pinsent and Mr. Rich should meet a small deputation consisting of three representatives of this Chamber for the above purpose at whatever time, date or place may be most convenient to him and the other representatives of the Port Trust.

4. I shall be glad if you will be so good as to advise me at your early convenience whether the above proposals are acceptable to the Chairman and, if so, what his wishes are in regard to the arrangements for the proposed meeting.

Report of the Special Sub-Committee, consisting of Mr. F. Nelson, M.L.C., Mr. N. Birrell and Mr. J. R. Abercrombie, appointed to discuss with the representatives of the Port Trust, the question of the deletion of the Port Trust By-Law No. 79 and other matters relating to the improvement of the system of tallying and remarking on goods landed at the Bombay Docks.

We, the undersigned, beg to report that we met the representatives of the Port Trust at 1 p.m., on Thursday, the 8th February 1923, to discuss the question of the proposed deletion of Port Trust By-Law No. 79 and other matters relating to the improvement of the system of tallying and remarking on cargo landed at the Bombay Docks and we submit, below, a resume of the deliberations that took place.

The Port Trust were represented by Mr. P. R. Cadell, C.S.I., C.I.E., I.C.S., (Chairman of the Board of Trustees, Port of Bombay), Mr. A. F. Pinsent and Mr. C. N. Rich. The Secretary to the Port Trust and the Assistant Secretary to the Chamber were also present.

In the course of the previous correspondence on this subject, the chief argument raised by the Port Trust in their opposition to the proposal that the Port Trust By-Law No. 79 which reads :

79. The Trustees will accept no liability or responsibility in respect of goods landed *at night*.

should be deleted was that the lighting of the Docks is not sufficient for their clerks to observe the condition of goods landed at night ; it was, however, our opinion that the lighting at most of the sheds of the docks was sufficient for the purpose in question and could be made entirely adequate without any great expenditure. In this opinion we were supported by the Special Sub-Committee which had previously reported on this question.

The representatives of the Port Trust were, however, most emphatic in their contention that the lighting of the Docks was not sufficient for their clerks to observe the conditions

of goods landed at night and they most emphatically maintained that the Trustees could not take the same responsibility for goods landed by night as they do for those landed by day, and that the cost of the extra staff and lighting required for night work would have to be reimbursed by increased charges. If the Trustees took any responsibility for goods landed at night, their representatives maintained that it could only be of a comparatively limited nature compared with that which they took for goods landed during the day. In other words, if By-Law No. 79 were to be deleted, another By-Law would have to be inserted, delimiting the responsibility taken for goods landed at night.

In the course of the consideration of this subject, the responsibilities taken by the Bombay Port Trust and the Calcutta Port Trust were compared, the main points of difference between the Ports being that, while the Port Trustees of Calcutta accept responsibility for goods landed at night, they do not allow any broken, damaged or torn packages to be landed at night nor do they take any responsibility for goods—at whatever time they are landed—after they have been landed for three days; whereas, in Bombay no restriction is placed on the landing of broken or damaged packages nor is there any limit fixed to the time for which the Port Trust will take responsibility for goods, provided that they have not been landed at night.

Under these circumstances, it was argued that the amount of responsibility taken by the Bombay Port Trust compared favourably, especially from the point of view of the consignee, with that taken by the Port Trustees of Calcutta.

The details of this question were discussed at considerable length and eventually the representatives of the Port Trust agreed to forward for the consideration of the Chamber the conditions under which they would be prepared to submit for the favourable consideration of the Board of Trustees a proposal for the deletion or modification of By-Law No. 79.

We then went on to discuss the tallying of goods landed at the docks. The abovementioned Sub-Committee that had previously considered this question reported that no noticeable improvement in the tallying had taken place within

recent months, and they recommended that the Port Trust be urged to provide for greater supervision of the staff engaged in tallying; but we were not sure that this opinion was well grounded, and, on the assurance of the representatives of the Port Trust that everything possible was being done to improve the tallying staff—for the deterioration of which the recent war had been mainly responsible—and on their statement that a head clerk had been appointed to supervise the work of the staff in question, we decided not to press this matter any further.

Finally we urged the importance of improving the remarks passed on cargo and of entering them with specific reference to the number and mark instead of merely to the mark of the packages.

Here again, the Port Trust's representatives maintained that an improvement had taken place and that the Trustees were doing all in their power to improve the staff after the disorganisation which had occurred during the war. After a general discussion of this subject, on the Chairman of the Port Trust's assurance that, as the Trustees were able gradually to secure an efficient and adequate staff, they would take steps to ensure that an improvement would take place in the accuracy of the remarks passed on cargo, both generally and in particular by entering the remarks with reference to the numbers as well as to the marks of the packages so far as may be practicable, we thought that no further action was required in this connection and accordingly the meeting terminated.

Note by Mr. Birrell.

In my opinion the last para. hardly conveys what transpired. The Port Trust Traffic Manager definitely stated that in the case of packages remarked upon, the actual number of the package would henceforth be shewn. Instructions had been issued to that effect and are now being acted up to as far as possible.

APPENDIX Q-2.

PORT TRUST RESPONSIBILITY FOR LOSSES TO CARGO CAUSED BY BURGLARY.

Dated the 19th July 1923.

**From Messrs. Latham Abercrombie & Co., Bombay, to
the Chamber.**

We shall thank you to kindly give us information as to the liability or otherwise of the Bombay Port Trust for the following occurrence :—

A case of Piece-goods was landed ex S.S. "Olympia," taken over by the Port Trust and stored in Shed Nos. 7 and 8 Victoria Dock.

On opening the shed the following morning the Shed Manager found 1 case broken open and a number of pieces missing.

The Dock Manager repudiates liability on the grounds that the shed was broken into during the night and that for night robbery the Bombay Port Trust is not responsible.

We beg to refer you to Bombay Port Trust Dock By-laws 1916 Para. 80 which reads as follows :—

"The trustees will accept responsibility in respect of import goods only for the number of articles or packages acknowledged and signed for by the Dock Manager in the receipts granted for such import goods to the Manager or the owner of the vessel."

The Steamship Agents have repudiated liability as the cases were landed and put into the shed in sound condition. We shall therefore, be obliged if you will kindly inform us if the Bombay Port Trust is responsible.

No. 1781/166 of the 2nd August 1923.

**From the Chamber to Messrs. Latham Abercrombie & Co.,
Bombay.**

I am directed to acknowledge the receipt of your letter No. GM/2/3245, dated the 19th July 1923 on the subject of

the Port Trust's responsibility for the loss occasioned by a robbery from a case of piece-goods which was stored in Shed Nos. 7 and 8, Victoria Docks.

2. In reply I am to say that my Committee have made enquiries concerning the Port Trust's responsibility for such losses and the position, as they understand it, is as follows.

3. The Calcutta Port Trust Act contains a clause definitely stating that the responsibility of the Port Trust in respect of goods stored on their premises is that of a Bailee as defined in the Contracts Act, 1872. The Bombay Port Trust Act does not contain a clause to that effect but the Port Trust have been advised by their solicitors that the nature of the irresponsibility is that of a bailee and further that in cases such as the one you raise their responsibility is defined in Sections 151 and 152 of the Contracts Act, which reads as follows :—

“151. In all cases of bailment the bailee is bound to take as much care of the goods bailed to him as a man of ordinary prudence would, under similar circumstances, take of his own goods of the same bulk, quality and value as the goods bailed.”

“152. The bailee, in the absence of any special contract, is not responsible for the loss, destruction or deterioration of the thing bailed, if he has taken the amount of care of it described in section 151.”

4. The Port Trust claim that they take the precautions that are enjoined in Section 151 and that the theft in question having taken place by night, and thus being a case of house-breaking, was not due to any carelessness on their part and that therefore under Section 152 they are absolved from responsibility for the loss.

5. My Committee are in sympathy with your contention that the Port Trust should accept responsibility for your loss, but the theft is not an isolated one and the Port Trust have invariably repudiated responsibility for such thefts, and no amount of pressure that the Chamber can bring to bear will alter their standpoint, and under the circumstances that I have explained, my Committee consider that the only way by which you could obtain redress would be to take the matter

to court as a test case. They think, however, that you would be well advised to consult your solicitors before thus entering on what might prove to be an expensive lawsuit.

No. Gm/2/3309 of the 11th August 1923.

**From Messrs. Latham Abercrombie & Co., Bombay,
to the Chamber.**

We thank you for your comprehensive reply to our enquiry regarding pilfered goods. We are glad to say the Police have recovered the majority of the stolen pieces and as the loss is a small one an expensive Test Case does not seem advisable.

Unless some remedy is found, the attitude taken up by the Port Trust will force Importers to insure their goods against pilferage thereby adding to the already extremely high charges which are incurred on goods landed in the Bombay Docks. In view of the keen competition of Karachi for the upcountry markets this should be avoided if possible.

From private enquiries we have made it transpires that the Port Trust consider they have taken every possible precaution to secure all their premises against burglary, and the only possible presumption left is that the Police force in the Docks is inadequate.

In the interests of the Commercial community of Bombay we trust you will press the Port Trust to make some further effort to reduce the number of pilferages in the Docks.

No. 1889/166 of the 17th August 1923.

**From the Chamber to Messrs. Latham Abercrombie & Co.,
Bombay.**

I am directed to acknowledge the receipt of your letter No. GM/2/3309, dated the 11th August 1923 on the subject of pilferage at the Bombay Docks.

In reply I am to inform you that my Committee are making enquiries in England as to the extent of the responsibility accepted by the Port of London Authority and by the

Mersey Docks and Harbour Board in respect of goods stored on their premises. When my Committee have received this information they will then consider what action they should take with regard to your suggestion to press the Bombay Port Trust to accept greater responsibility for, and more effectively to protect from theft, the goods that are stored in the docks.

No. 1888/166 of the 17th August 1923.

**From the Chamber to the Port of London
Authority, London.**

I am directed to request you to be so kind as to favour my Committee with particulars of the extent of the responsibility accepted by the Port of London Authority in respect of goods stored on their premises, which have been unloaded and are awaiting being taken delivery of by the consignees, or which have been delivered in the docks by the consignors and are waiting to be loaded on board.

2. My Committee desire this information with particular reference to a case of burglarious theft from a package whilst in the custody of the Bombay Port Trust of which details are given in the accompanying copy of correspondence between my Committee and a member of the Chamber, and for which, as you will observe, the Bombay Port Trust disclaims responsibility.

3. My Committee have also requested the London Chamber of Commerce for information in this connection with regard to London and certain other ports, this enquiry has however been sent to you direct so that particulars with regard to London may be received more expeditiously.

4. I also enclose for your information in this and other connections a copy of the Docks By-Laws of the Bombay Port Trust.

No. 1887/166 of the 17th August 1923.

**From the Chamber to the London Chamber of Commerce,
East India Section, London.**

I am directed to request you to be so kind as to favour my Committee with particulars of the extent of the responsibility accepted by the Port of London Authority in respect of goods stored on their premises, which have been unloaded and are awaiting being taken delivery of by the consignees, or which have been delivered in the docks by the consignors and are waiting to be loaded on board.

2. My Committee desire this information with particular reference to a case of burglarious theft from a package whilst in the custody of the Bombay Port Trust of which details are given in the accompanying copy of correspondence between my Committee and a member of the Chamber, and for which, as you will observe, the Bombay Port Trust disclaims responsibility.

3. If it be no inconvenience to you perhaps you would be good enough to give me similar information regarding the Mersey Docks and Harbour Board.

4. I also enclose for your information in this and other connections a copy of the Docks By-Laws of the Bombay Port Trust.

Dated the 8th September 1923.

**From the General Manager, Port of London Authority;
London, to the Chamber.**

In reply to your letter of the 17th ultime, No. 1888/246, as to the measure of responsibility accepted by the Authority in respect of goods stored on their premises I beg to inform you that they would not accept any liability in the instance referred to by you as they have always contended that whilst goods are in store awaiting delivery or shipment every reasonable precaution is taken by the provision of Police protection, etc., to prevent pilferage or burglary.

The undermentioned clause is printed on all bills and landing accounts and has been considered sufficient notice to the public to protect the Authority against claims for loss of merchandise through burglary :—

The Port Authority take all reasonable measures to protect goods warehoused or deposited with them against loss or damage, but they do not in any case accept liability for any loss or damage arising otherwise than through their negligence.

APPENDIX Q-3.

PORT TRUST RESPONSIBILITY FOR DAMAGE TO CARGO CAUSED BY RAIN FLOODS.

Dated the 10th October 1923.

**From Messrs. Lyon, Lord & Co., Ltd., Bombay;
to the Chamber.**

We enclose herewith copy of two letters from the Bombay Port Trust in which they state that the Trustees are advised they are not responsible for damages to goods lying in their sheds due to the recent floods, and we shall be glad to have the views of your Chamber on this subject as in our opinion it is a matter that effects all Importers.

We submit that as floods are not uncommon in Bombay during the Monsoon the damage hardly arises through an unforeseen circumstance, also that in entrusting practically the whole of Bombay Imports to the warehousing care of such a large body as the Port Trust it does seem to us that after having taken charge of the goods, the public in general do expect to be protected from losses on this account.

Dated the 8th October 1923.

**From the Manager, Bombay Port Trust Docks, to Messrs.
Lyon, Lord & Co., Ltd., Bombay.**

*Rain water damage to goods on the 20th September
1923 S.S. "Clan Murdoch."*

In reply to your letter, dated the 4th instant, I beg to confirm as already intimated by the Deputy Manager, Prince's & Victoria

Docks, in his letter No. PC-1-108-4443 of 26th ultimo., that the Trustees are advised that they are in no way responsible for the damage that was caused by the flooding of certain sheds and warehouses in the Prince's and Victoria Docks on the 20th ultimo. Your debit note and invoice are herewith returned.

Dated the 26th September 1923.

**From the Manager, Bombay Port Trust Docks, to Messrs.
Lyon, Lord & Co., Ltd., Bombay.**

*Damage to 3 Packages marked LYON 23 L F 4567,
4569 & LYON 23 L G 9743 s.s. "Clan Murdoch."*

With reference to your letter of the 24th instant complaining of damage to your goods lying in F shed Prince's Dock due to the flood which occurred on the 20th instant and asking for a survey, I am to inform you that the Trustees are advised that they are in no way responsible for any damage which may have arisen from the cause referred to, but without prejudice in any way to their position they are willing to join you in a survey of the goods referred to in your letter under reply and for this purpose they appoint Capt. Hodgkinson to be present to join in the survey on their behalf. Capt. Hodgkinson will be present at the shed daily at 11-0 a.m.

Dated the 17th October 1923.

**From Messrs. Lyon, Lord & Co., Ltd., Bombay, to the
Chamber.**

*Port Trust responsibility for Imported goods stored
in Docks Sheds and damaged by recent Floods,
i.e., rain water.*

With reference to our letter of the 10th instant we beg to enclose, herewith copy of our letter to the Deputy Manager, Princes & Victoria Docks, dated 27th October 1919 in which we referred to certain goods being damaged by rain water while lying in sheds. Our claim in respect of these damages was finally passed for payment by the Port Trust in April 1920, and we beg to submit for the consideration of your Committee that our present claim for rain water damages referred to in our letter of the 10th instant is on a par with the claim we made in October 1919 which was subsequently duly paid by the Port Trust.

In view of the Port Trust having paid our previous claim we have written drawing their attention to this and asking that our present may be reconsidered and passed for payment, as per copy of letter attached herewith.

Dated the 27th October 1919.

From Messrs. Lyon, Lord & Co., Ltd., Bombay, to the Deputy Manager, Prince's and Victoria Docks, Bombay.

LYON

19 L G 5808, 5811, 5814 .. 3 B/s Ex. "Castalia."

19 G G R D 1960, 1962/64 .. 4 " " "

B S 509, 512, 514 & 322 . 4 " " "

C

We beg to bring to your notice that the above 11 Bales Cotton Piece goods were damaged while in the shed No. 10 and 11, Victoria Dock by water from a defective water tap. The shed authorities put these bales out in the sun with a view to drying them but, being left in the open they have again been badly wet by last night's rain. We shall therefore feel much obliged if you will kindly have these bales surveyed.

Thanking you in anticipation.

Dated the 17th October 1923.

From Messrs. Lyon, Lord & Co., Ltd.; Bombay, to the Manager, Bombay Port Trust Docks, Bombay.

Rain Water damage to goods on the 20th September 1923 ex. S.S. "Clan Murdoch."

With reference to your No. C-1 104-4362 dated, the 8th instant returning our debit notes for damages to our goods as per surveyors award. In this connection we beg to draw your attention to copy of our letter dated 27th October 1919 enclosed herewith with reference to goods damaged by rain water which damages were surveyed and our debit note for Rs. 1,010-3-2 was passed for payment in April 1920.

We beg to submit therefore that as in the present instance our goods have been damaged by rain water while lying in the Port Trust sheds, that our claims for damages as per debit notes previously submitted and now re-submitted may have your favourable reconsideration and be passed for payment.

No. 7262/265 of the 26th October 1923.

**From the Chamber to Messrs. Lyon, Lord & Co., Ltd.,
Bombay.**

I am directed to acknowledge the receipt of your letter, dated the 10th October 1923 on the subject of the responsibility for the damage done to certain of your goods lying in the Port Trust sheds during the flood which occurred on the 20th of September 1923.

2. In reply I am to state that my Committee have made extensive enquiries concerning the Port Trust's responsibility for such damages and the position is, they understand, as follows :—

3. The Calcutta Port Trust Act contains a clause definitely stating that the responsibility of the Calcutta Port Trust in respect of goods stored on their premises is that of a Bailee as defined in the Contracts Act 1872. The Bombay Port Trust Act does not contain a clause to that effect but my Committee understand that the Port Trust have been advised by their Solicitors that the nature of their responsibility is that of a bailee and further that, in cases such as the one you raised, their responsibility is defined in Sections 151 and 152 of the Contracts Act, which read as follows :—

“ 151. In all cases of bailment the bailee is bound to take as much care of the goods bailed to him as a man of ordinary prudence would, under similar circumstances take of his own goods of the same bulk, quality and value as the goods bailed.

“ 152. The bailee, in the absence of any special contract, is not responsible for the loss, destruction or deterioration of the thing bailed, if he has taken the amount of care of it described in section 151.”

4. The Port Trust claim that they take the precautions that are enjoined in Section 151 to protect from water the goods in their sheds and that therefore under Section 152 they are absolved from responsibility for the damage. The flood which occurred on the 20th September was of an exceptional nature, the most severe within memory of living man, and a man of ordinary prudence could hardly be expected to foresee that such a flood would occur or to take measures

to prevent its damaging his goods. My Committee are in sympathy with your contention that the Port Trust should accept responsibility for your loss, but the case is not an isolated one and the Port Trust have invariably repudiated responsibility for such losses, and no amount of pressure that the Chamber can bring to bear will alter their standpoint. Under the circumstances that I have explained, my Committee consider that the only way by which you could possibly obtain redress would be to take the case to Court as a test case. They think, however, that you would be well advised to consult your solicitors before thus entering on what might prove to be an expensive lawsuit.

5. I am also to refer to your letter of the 17th October on the same subject with which you supply the details of an instance where the Port Trust admitted responsibility for damage done by water and in which you urge that responsibility for the above mentioned case should therefore also be accepted by the Port Trust.

6. I am to point out however that in this case the damage was due partly to a leaky tap and partly to the goods having been left out at night in the rain owing to the carelessness of a Port Trust employee. The damage was caused therefore by events of a widely different nature to those involved in the case referred to above.

Dated the 29th October 1923.

**From Messrs. Lyon, Lord & Co., Ltd., Bombay, to
the Chamber:**

*Rain Water damage to goods lying in
Port Trust Sheds.*

We thank you for your letter No. 2262/265 of 1923, dated 26th instant contents, of which we have read with interest and in view of your Committee's opinion on the subject we are referring this matter to our Head Office at Manchester for their information and instructions if any.

We have now to request that you will convey to the Committee our thanks for the trouble they have taken in this matter.

APPENDIX Q-4.

PORT DUES ON VESSELS CHARTERED BY
GOVERNMENT.

No. 676-A. C. of the 31st May 1923.

**From the Associated Chambers of Commerce of India and
Ceylon, Bombay, to the Chamber.**

*The Indian Ports Act 1908: Exemption of Government
vessels from Port Dues.*

Adverting to this Association's letter No. 811 A.C., dated Calcutta, 21st September 1922, covering a copy of a representation made by this Association to the Government of India on this subject, I enclose a copy of the reply which has now been received from the Government of India together with a copy of its enclosure, for information and for any remarks that your Chamber may wish to make on the proposals contained therein.

No. 2574 of the 1st May 1923.

From the Government of India (Department of Commerce), Simla, to the Associated Chambers of Commerce of India and Ceylon, Bombay.

Levy of port dues on Government vessels.

In continuation of the letter from this Department, No. 5108, dated the 30th September 1922, I am directed to forward for your information a copy of a letter to the Maritime Local Governments, No. 2572, dated the 1st May 1923, on the above subject.

No. 2572 of the 1st May 1923.

**From the Government of India (Department of Commerce),
Simla, to the Government of Bombay, Marine
Department.**

I am directed to refer to your letter, No. 382-M., dated the 1st September 1922, forwarding copies of the replies of the various Port

Trusts to the proposals contained in this Department's letter, No. 2137, dated the 25th April 1922. These replies are generally unfavourable and, as this seems to be due to a certain extent to a misapprehension of the real intention, I am to explain more fully the principles on which the proposals of the Government of India are based.

2. In the first place, many Port Trusts appear to consider that any exemption accorded to Government shipping is objectionable in principle and ought to be abolished at the earliest opportunity. This was not the contention of the Port Trusts of Bombay, Calcutta, Karachi and Rangoon when they first raised the question, and it is not a position which the Government of India can possibly accept. The proposal of the Government of India as explained in paragraph 3 of their letter, No. 2137, dated the 25th April 1922, is that they should confine the operation of Section 2 (1) of the Indian Ports Act, in so far as Government vessels are concerned, to two main classes of ships. One class, vessels of the Royal Indian Marine, consists mainly of vessels normally employed on services of direct assistance to navigation, such as station ships, lighthouse tenders and ships employed on hydrographic survey. The other class comprises vessels of war and vessels employed solely on naval or military services of different kinds. As regards the first category, their inclusion is justified by the analogy of the provisions of Section 732 of the English Merchant Shipping Act of 1894 and vessels of this class were not referred to at all in the recent agreement concluded between the Admiralty and the port authorities in that country. The second class comprises ships engaged in national defence, and it is one of the oldest feature of the Crown prerogative that shipping employed on such duties should be exempted from imposts levied by local bodies for the general facilities they provide and this prerogative right, the Government of India are not prepared to abandon. The Government of India, in fact, by the limitation suggested in paragraph 3 of their letter of the 25th April 1922 have shown their readiness to abandon their right to preferential treatment for Government vessels employed in commercial and quasi-commercial operations and to restrict it to vessels either employed in national defence or of direct assistance to the shipping community, and beyond this they are not prepared to go.

3. At the same time, in view of the apparent misapprehension created by their proposals, they consider it desirable to explain more fully the character of the dues and fees from which they consider that this restricted class of Government ships should be exempted.

They consider generally that, if Government ships of the classes mentioned in paragraph 3 of this Department's letter of the 25th April 1922 neither use nor occupy the actual property of a Port Trust, as for instance by being tied up against wharves or jetties, and if they do not make use of the services of the staff of the Port Trust, such as Pilots and Harbour Masters, they should not be compelled to pay any dues. When they use either, they should pay for the services

rendered or the accommodation provided. They will pay, either on such terms as may be agreed to by the Government and the Port Trust concerned, or, in default of such agreement, at the rates ordinarily charged by the Port Trust. The Government of India think that there should be no difficulty in distinguishing under which category the different dues and charges should fall. Dues levied by the Port Trust which do not come within either of the above categories should be regarded as for the general facilities of the harbour, and from these Government ships of the specified types should be exempted. When as will probably often be the case, dues are levied which cannot be classified as either for general facilities or for specific services, negotiations will be necessary to arrive at a *pro rata* basis of payment.

4. This is all that was intended by the reference in paragraph 6 of the letter to mutual agreement as to terms, as provided for in Section 4 (2) of the Indian Tolls (Army) Act. The reference to that Act was not intended, as appears to be feared by the Calcutta Port Commissioners, to extend the classes of vessels exempted in paragraph 3 in any way. The classification in that paragraph is exhaustive, that is to say that vessels or goods not included under it will not be entitled to any exemption either from port dues or any other fees levied by the port.

5. The Government of India recognise that conditions vary so much from port to port that it should be impossible to conclude identical agreements with ports except on a rough and ready basis of percentage payment. This method is unsatisfactory, as it would become inequitable if the proportion of Government shipping using a port suddenly increased. As the problem is of very slight importance at present and will only become so, if future hostilities should entail a large increase in Government shipping, a solution on these lines would be no solution at all and the only basis of settlement must be the nature of the fees or dues imposed. The Government of India consider that their proposals not only afford such a logical basis for negotiation, but go as far, if not further than the concessions recently granted by the British Government to the port authorities in that country. The object of these proposals was not to extend generally the rights of exemption at present enjoyed by Government ships, but to find some principles of general application whereon a settlement could be based which would protect the long established rights of Government ships of the classes mentioned, and at the same time would remedy the recognised injustice from which Port Trusts had to suffer during the war, though in varying degrees, though in certain cases the ill effects were made up by corresponding advantages granted by Government in other forms. The Government of India consider that such general principles might be found, if it be possible to differentiate between charges for general facilities and those for specific services.

6. After giving the matter their careful consideration, the Government of India are of opinion that the best course would be that the

practice now followed in Rangoon should be adopted in all ports, namely, that charges should be levied by the Port Trusts on Government vessels on the following principles :—

- (a) *Vessels of war.*—All port charges whether for ‘general facilities’ or for ‘special services’ except (i) port dues, (ii) mooring fees, and (iii) wharfage charges.
- (b) *Royal Indian Marine vessels when employed otherwise than solely for Government transport.*—All port charges except port dues.
- (c) *Vessels employed solely as Government transport.*—All port charges except (i) port dues and (ii) wharfage charges for troops, their furniture, baggage, horses, animals, and the like.

7. The Bengal Government also enquire about the treatment to be accorded to vessels belonging to foreign Governments. The intention of the Government of India is that they should receive precisely the same treatment as is accorded to vessels belonging to the British or the Indian Governments. There should be no practical difficulty in empowering the local marine authority or port officer to decide whether such a vessel was engaged in commercial or quasi-commercial traffic or corresponded to one of the exempted categories described in this Department’s letter. Such visits will presumably be infrequent so the case is not of much urgency. The Government of India, therefore, do not propose to amend the law to conform with this decision until they undertake the general recasting of their Ports legislation.

8. I am to request that, in view of the above remarks, the various Port Trusts may be asked to reconsider their attitude and whether they agree to the proposals now put forward. The Government would much prefer to reach a settlement by consent based on clear principles, which would have a reasonable prospect of permanency, than to adopt any general percentage payment which would almost certainly work inequitably in time of war.

No. 1327-203 of the 31st May 1923.

From the Chamber, to the Bombay Port Trust.

The Indian Ports Act, 1908 : Exemption of Government Vessels from Port Dues.

I am desired to hand you the enclosed copy of a letter and its accompaniments from the Associated Chambers of Commerce of India and Ceylon. The accompaniment is a copy of a letter from the Government of India addressed to all Maritime Local Governments setting forth Government’s

proposals on the subject noted above. You have presumably already received a copy of Government's letter, from the Bombay Government, and I am to say that since throughout the correspondence on this subject, which has now gone on for many years, my Committee have considered the matter in conjunction with the Port Trust, they would now like to be informed of the opinion of the Trustees on the proposals put forward in the abovementioned letter from the Government of India.

I should also be very grateful if you would inform me when you are likely to be in a position to furnish me with the Trustees' views.

No. 6136 of the 14th August 1923.

From the Bombay Port Trust, to the Chamber.

*The Indian Ports Act. 1908, : Exemption of Government
Vessels from Port Dues.*

With reference to your letter No. 1327-203, dated 31st May 1923, I beg to forward for the information of your Committee a copy of the reply approved by the Trustees to the reference from Government on the above question.

No. 6135 of the 14th August 1923.

**From the Port Trust, to the Government of Bombay
(Marine Department.)**

*Levy of Port Dues and Dock Charges on vessels belonging
to or chartered by Government.*

With reference to your endorsement No. 382-M, dated 25th May 1923, calling for a report on the proposals contained in letter No. 2572, dated 1st May 1923, from the Government of India, Department of Commerce, I have the honour to submit the views of the Trustees on the question under reference.

2. It may first be observed that although the subject of the matter under reference is quoted as "Levy of Port dues on vessels belonging to or chartered by Government" this heading only covers a portion of the matter under discussion which relates to *all* Port and Dock charges levied against Government vessels.

3. The proposals now under consideration are that the following principles should be observed by Port authorities in levying charges in respect of Government vessels:—

- (a) *Vessels of war.*—Shall pay all port charges whether for 'general facilities' or for 'special services' except (i) port dues, (ii) mooring fees and (iii) wharfage charges.
- (b) *Royal Indian Marine vessels when employed otherwise than solely for Government transport.*—Shall pay all port charges except port dues.
- (c) *Vessels employed solely as Government transport.*—Shall pay all port charges, except (i) port dues and (ii) wharfage charges for troops, their furniture, baggage, horses, animals and the like.

The Trustees are agreeable to these proposals subject to the following provisos:—

- (a) "Vessels of war" should be understood to mean all vessels entitled to fly the white ensign and including, in war time, mine sweepers and patrol vessels.
 - (i) It is agreed that such vessels shall be exempted from port dues.
 - (ii) There are no mooring fees in this Port.
 - (iii) Should a vessel of war conveying stores or materials other than for its own consumption such stores or materials, if discharged in Dock, would be liable to Dock wharfage. The following amplified definition is therefore suggested:—

"Wharfage charges on stores and equipment required for the vessel's own consumption."

(b) is agreed to;

(c) (i) is agreed to;

(ii) should, it is suggested, be amplified on the following lines:—

"Wharfage charges for troops, their horses (other than remounts,) baggage, carriages and other effects forming part of the schedule equipment of the unit to which such troops belong."

The Trustees however, desire to make it clear that if it is the intention of Government that the term "Wharfage charges for troops" is to include the capitation charge of Rs. 2 per head at present levied in this Port on troops landing and embarking, the abolition of this charge has only been agreed to by the Trustees on the understanding that

Government will be prepared to sanction an amendment to the Docks Scale of Rates so as to enable the Trustees to levy a special charge for the temporary occupation or reservation of Dock transit sheds for trooping purposes, such charge to be based on the net revenue that would be earned on an equivalent shed area if occupied for commercial purposes. This point was dealt with in the Port Trust Secretary's letter to your address No. B. 2726, dated 4th October 1922, and in the preamble to Government Order, Marine Department, No. 2036, dated 10th December 1920, recording the report of the Committee appointed by Government to consider the question of capitation charges levied in Bombay and Karachi. The Committee noted their opinion on this point as follows:—

“It will be seen that the Bombay Port Trust's assent to the proposal to abolish the capitation rate is qualified by the stipulation that Government will sanction an amendment to the Docks Scale of Rates to enable a charge to be levied for the temporary occupation of transit sheds. We do not think any objection will be made to this as it will fall within the terms of our proposals.

The Government of India have not yet communicated their decision on this question but as the point arises in connection with the present reference it is necessary that the Trustees should be informed of the decision of Government before they can accept the general proposal that troops should be exempted from wharfage charges. The Trustees do not wish to delay settlement of the main question by attempting to formulate at this stage the precise charge to be levied for shed accommodation used or reserved for trooping purposes. Detailed proposals will be submitted when Government communicate their decision on the main question.

No. 1874-203 of the 16th August 1923.

From the Chamber, to The Bombay Port Trust.

The Indian Ports Act.: Exemption of Government Vessels from Port Dues.

I am directed to thank you for your letter No. 6136, dated the 4th instant, with which you kindly forwarded a copy of the letter No. 6135, dated the 14th August, from the Chairman of the Port Trust to the Government of Bombay on the subject noted above.

No. 1877-203 of the 16th August 1923.

**From the Chamber, to The Associated Chambers of
Commerce of India and Ceylon, Bombay.**

*The Indian Ports Act, 1908—Exemption of Government
Vessels from Port Dues.*

I am directed to acknowledge the receipt of your letter No. 676-A.C., dated the 31st May 1923 and its accompaniments.

In reply I am to hand you the enclosed copy of a letter No. 6135, dated the 14th August 1923, from the Bombay Port Trust to the Government of Bombay, and to say that my Committee concur with the opinions expressed therein.

APPENDIX Q-5.

MATES' RECEIPTS FOR RAIL-BORNE CARGO.

L/G/6/182 of the 6th June 1923.

**From Messrs. Louis Dreyfus & Co., Bombay, to the
Chamber.**

We have been in communication with the Bombay Port Trust on the subject of a permanent cash deposit of Rs. 5,000 against the surrender of Mates' receipts prior to the payment of Port Trust Dock charges. As you will note from the correspondence, copy of which is enclosed, in view of the practice in other Indian ports where shippers have no fixed deposits, but maintain current accounts with the Port Trust and make adequate deposits prior to each shipment which is accounted for when wharfage bill is received, we had asked the Bombay Port Trust to reconsider their decision and if possible to adopt the arrangement which is in existence in other ports. You will note that they require standing cash security of Rs. 5,000 on which they do not propose to allow any interest. We pointed out to them that as they will

enjoy the free use of this money in perpetuity, they should at least pay interest on it, and we asked them to reconsider this point.

They inform us now that the whole matter was very carefully considered by the departmental officers concerned and the Chairman of the Board of Trustees before making the present proposals and regret that the amendments we suggested could not be entertained.

We request that you will be good enough to place this correspondence before your committee and should they consider the attitude taken up by us to be a reasonable one they will be good enough to reopen the question with the Bombay Port Trust. We have no objection to the payment of the deposit of Rs. 5,000 but on principle we do not consider that the Bombay Port Trust should have the free use of this money in perpetuity without paying interest thereon, and you will further note that they have not attempted to advance any reasons in extenuation of their proposal.

L./G./5/446 of the 1st November 1922.

**From Messrs. Louis Dreyfus & Co., Bombay, to the
Manager, Bombay Port Trust Docks, Bombay.**

We beg to bring to your notice that we are experiencing great difficulties, i.e., delays in getting Mate Receipts for goods brought alongside by rail from Sewri.

The present system seems to be that Mate Receipts are only handed over to shippers after a somewhat lengthy procedure to ascertain whether shippers' deposit to meet the charges is sufficient. This entails the daily minimum 48 hours, with the result that we are very often missing the corresponding mail for sending documents home.

We should feel highly obliged if you would kindly look into the matter, and try to devise ways and means to assure a prompter delivery of the Mate Receipts in question.

Surely our usual deposit and the standing of our firm should be sufficient safeguard of your interest.

Thanking you in anticipation to your favourable consideration of our request.

No. M./5-6/5821 of the 8th December, 1922.

**From the Manager, Bombay Port Trust Docks, to Messrs.
Louis Dreyfus & Co., Bombay.**

With reference to your No. L./G./5-466, dated the 1st November 1922, I have to inform you that the procedure which you object to is the recognised one and so far no complaints have been received from other shippers.

If, however, it will in any way obviate your difficulty, I am prepared to issue orders to the shed staff to hand over to your representative your Mates' receipts in advance of payment of charges, provided you agree to place a standing deposit of Rs. 2,000 in cash with this Department as a security, quite apart from your Personal Deposit Account. You will thereafter not be at liberty to operate on this special deposit for any purpose.

If this suggestion is accepted by you, I would further add that your staff must be given very strict orders impressing on them that after they have got possession of the Mates' Receipts, they must arrange with a minimum of delay to present the shipping bills, etc., in the usual way at the Docks Hamallage and Cash Offices for pucca assessment of charges. If it is found hereafter that your staff are not abiding by this condition, the special arrangement will immediately be cancelled.

No. L. S./3/62 of the 10th January 1923.

**From Messrs. Louis Dreyfus & Co., Bombay, to the
Manager, Bombay Port Trust Docks.**

We are in receipt of your letter, dated the 8th ultimo No. M./5-6/5821, and beg to enquire whether on eventual cash Deposit you would allow us any interest and at what rate, or whether you would eventually accept Government Promissory Notes in lieu of Cash deposits?

No. M./5-6/190 of the 12th January, 1923.

**From the Manager, Bombay Port Trust Docks, to Messrs.
Louis Dreyfus & Co., Bombay.**

In reply to your letter No. L.S. 3/62, dated the 10th instant, I have to inform you that if a deposit in cash is lodged, this Department cannot allow interest, but as the deposit in question will be of a permanent nature, there is no objection to your lodging Government Promissory Notes in lieu of cash. These Promissory Notes should be endorsed in favour of the Trustees of the Port of Bombay, and they will be returned to you whenever you wish to withdraw the arrangement.

Dated the 8th February 1923.

**From Messrs. Louis Dreyfus and Co., to the Manager,
Bombay Port Trust Docks.**

With reference to your memo. No. M./5-6/190 of the 12th ultimo, we beg to enclose herewith our 3½ per cent. Government Paper No. 19444 of 16th January 1879 of the face value of Rs. 5,000 endorsed in favour of the Trustees of the Port of Bombay as deposit against the payment of dock dues on our shipments and shall now thank you to issue orders to your shed staff to hand over to our representative Mate receipts in advance of payment of dock fees.

Please let us have a receipt duly stamped and receipted for the above payment.

No. M./5-6/705 of the 12th February 1923.

**From the Manager, Bombay Port Trust Docks, to the
Chief Accountant, Bombay Port Trust.**

I beg to forward herewith 3½ per cent. Government Promissory Note No. 19444 of the 16th January 1879 Loan of the face value of Rs. 5,000 lodged by Messrs. Louis Dreyfus and Company as a security with this department to enable them to receive their mates' receipts in advance of payment of Docks wharfage charges on export cargo.

It is requested that you will kindly keep the same in safe custody.

BOMBAY PORT TRUST DOCKS.

Order No. M./5-6/13/1923.

Dated the 12th February 1923.

Sectional Assistant Managers and Shed Superintendents are directed to note that Messrs. Louis Dreyfus and Company have deposited with this Department a Government Promissory Note of the face value of Rs. 5,000 as a security against payment of Docks wharfage charges due on their shipments.

Shed Superintendents are accordingly authorised to hand over the representatives of Messrs. Louis Dreyfus and Company their mates' receipts in advance of payment of charges.

The Cash Supervisor will please report if any delay takes place in the subsequent payment of Messrs. Louis Dreyfus and Company of the charges due on their shipments.

No. M/5-6/2161 of the 9th May 1923.

**From the Manager, Bombay Port Trust Docks, to Messrs.
Louis Dreyfus & Company, Bombay.**

I beg to invite reference to correspondence ending with this office No. M/5-6/706, dated the 12th February 1923, which resulted in the acceptance of a $3\frac{1}{4}$ per cent. Government Promissory Note No. 19444 of the 16th January 1879 Loan of the face value of Rs. 5,000 as security against surrender to you of mates receipts for export cargo prior to payment of Docks wharfage and other charges due thereon.

I am now directed to inform you that this action has not been approved as it is considered to create a precedent to reversion to the Permanent Deposit System, which the Trustees discontinued in 1916 owing to certain serious defects in the System. In order therefore to terminate the present arrangement with you, I am further directed to advise you that the Government Promissory Note above-named will be returned to you at the end of six months commencing from the 1st May 1923, when the concession for which this Note was accepted will also have to be withdrawn.

The question, however, of meeting the convenience of shippers by enabling them to obtain mates receipts without delay has been fully re-considered, and the following proposal is made.

Mates receipts will be handed over to your authorised representatives by the shed staff prior to payment of Port Trust Docks charges on the cargo concerned, provided you agree to maintain in your Personal Deposit Account with this Department a daily minimum balance of Rs. 5,000. Should the amount of deposit at any time fall below this sum, surrender of mates receipts to you will automatically cease until the account has been recouped.

You will see that this arrangement amounts to your maintaining a standing cash security of Rs. 5,000 against the concession required by you, and it is to be noted that no interest will be paid upon this sum. It may be mentioned that another large exporting firm in Bombay has adopted this arrangement.

I trust that I have made the proposition quite clear to you and have to request an acknowledgment of this letter.

No. L. G./6/164 of the 24th May 1923.

**From Messrs. Louis Dreyfus & Co., Bombay, to the
Manager, Bombay Port Trust Docks.**

We regret the delay in replying to your letter No. M/5-6/2161 of the 9th instant but had to refer the matter to our Karachi Head Office.

We note that you propose terminating the existing arrangement with us at the end of six months commencing from 1st May 1923 and that you will return to us our $3\frac{1}{2}$ per cent. Government Promissory Note No. 9444 of the 16th January 1879 loan of the face value of Rs. 5,000 when the concession for which this note was accepted will also be withdrawn.

In order, however, to meet the convenience of the shippers by enabling them to obtain Mate's receipt without delay, we note that your proposal is that, Mate's receipt will be handed over to our authorised representative by your Shed Staff prior to payment of Port Trust Dock Charges on the cargo concerned provided we agree to maintain in our "Personal Deposit Account" with your Department a daily minimum balance of Rs. 5,000 and further should the amount of deposit at any time fall below this sum surrender of Mate's receipt to us will automatically cease until the amount has been recouped.

May we point out that the method prevailing in all other Indian Ports is that shippers have no fixed deposits, but maintain current accounts with the Port Trust and make adequate deposits prior to each shipment which is accounted for when the wharfage bill is received. This appears to us a simple and satisfactory arrangement and we recommend it to your consideration.

Regarding your proposal that we maintain a standing cash security of Rs. 5,000 we note that no interest will be paid on this sum. As this deposit will remain fixed at Rs. 5,000 we think that, as the Port Trust will enjoy the free use of this money in perpetuity, interest at least should be allowed to us and we should be glad if you will kindly reconsider this point.

No. M/5-6/2423 of the 28th May 1923.

**From the Manager, Bombay Port Trust Docks; to Messrs.
Louis Dreyfus and Company, Bombay.**

In reply to your No. L. G. 6/164, dated the 24th instant, I beg to inform you that the whole matter was very carefully considered by the Departmental Officers concerned and the Chairman of the Board of Trustees before making the proposal in my No. M/5-6/2161, dated the 9th idem, and it is regretted that the amendments you now suggest cannot be entertained.

No. 1475/207 of the 19th June 1923.

From the Chamber to Bombay Port Trust.

I am directed to inform you that my Committee have received a letter from a member of the Chamber, Messrs. Louis Dreyfus & Co., stating that the Bombay Port Trust

is willing to issue to their representatives mates receipts prior to the payment of dock charges provided that they deposit with the Port Trust a fixed sum of Rs. 5,000 on which no interest will be paid. They further state that interest should be allowed on the deposit since the Port Trust will have free use of the money in perpetuity and they have asked my Committee to consider the merits of their suggestion and if thought fit to take up the question with the Trustees of the Port of Bombay.

Before, however, my Committee take any further action in this matter they would be very glad if you would inform them of the reasons why it has been decided that interest should not be paid on the deposit ; my Committee understand that the Trustees had previously allowed Messrs. Louis Dreyfus & Co. to deposit a $3\frac{1}{2}$ per cent. Government Promissory Note as security against the receipts issued before payment.

I am also to say that my Committee would be pleased if you would be so kind as to tell them, so far as lies in your power, what is the practice in this connection at the other chief ports of India.

No. 4793 of the 26th June 1923.

From the Bombay Port Trust to the Chamber.

With reference to your letter No. 1475/207, dated 19th instant, I forward herewith for the information of your Committee a copy of the ordinary rules pertaining to Personal Deposit Accounts for adjustment of Bombay Port Trust Dock charges. Prior to 1916 the Trustees used to accept deposits in securities but owing to certain serious defects in this system and to incessant delays and correspondence regarding settlement of charges, the Trustees decided to accept in future only cash deposits. Interest is not allowed on such deposits because they are necessarily of a fluctuating nature and moreover the Trustees' banking business is res-

tricted to the Imperial Bank of India and no interest is allowed on current balances standing to credit of the Trustees' account.

The arrangement to which Messrs. Louis Dreyfus & Co. refer is a special arrangement made for their convenience to enable them to obtain Mates' receipts for export cargo prior to settlement of Docks wharfage and other charges due thereon. Shippers of rail-borne cargo find it inconvenient to go through the regular procedure of paying dock charges, which include (besides wharfage) unloading, carting and clerical fees, ground rent, etc., the assessment of which can only be done after the shipping bill has been endorsed with the necessary particulars. This involves delay and in consequence Mates' receipts are detained and Messrs. Louis Dreyfus & Co. complained that at times they were not able to get Bills of Lading in time to catch the mail. In order to meet their convenience by enabling them to obtain mates' receipts without delay, it was arranged that the receipt should be handed over to them prior to payment of the Port Trust charges, provided they agreed to maintain in their personal deposit account a daily minimum balance of Rs. 5,000. They are under no obligation to maintain this balance but should the amount at any time fall below Rs. 5,000, the surrender of mates' receipts to them in advance of settlement of charges automatically ceases until the account has been recouped. The arrangement is thus supplementary to the ordinary personal deposit rules and amounts to their maintaining a standing cash security against the concession required by them. It was at first proposed that the firm should lodge securities instead of cash in return for this special concession but it was subsequently considered by the Chairman that this would involve a reversion to the system discontinued in 1916 and it was decided that no special exception could be made in the case of any individual firm in this respect.

I am unable to state without reference to other ports what exact procedure they follow in regard to deposit accounts but as far as I am aware, in the ports where such accounts are maintained, the ordinary rules are similar to those in force at this Port.

BOMBAY PORT TRUST DOCKS.

PERSONAL DEPOSIT ACCOUNTS.

Persons who may open Personal Deposit Accounts.

1. For the convenience of firms and individuals having regular transactions with the Docks Department Deposit Accounts may be opened with the Docks Manager for the adjustment of Port Trust Dock charges.

Limitations to opening accounts.

2. The Docks Manager has discretion to allow any one firm or individual to open one or more separate accounts.

3. The minimum amount that may be deposited to credit of an account is Rs. 100 and payments in excess of that amount must invariably be in multiples of Rs. 10.

How to open a Deposit Account.

4. Persons desirous of opening a Deposit Account should apply to the Docks Manager. A Pass-book and remittance slip book will be supplied free of charge. Withdrawals from the amount to a Depositor's credit will only be permitted when it is desired to close the account, otherwise deposits can only be utilised for the payment of charges due to the Docks Department.

Pass Book.

5. All transactions, whether debit or credit, will be entered in the Pass-book as such arise and it is therefore essential that the Pass-book should be presented at the Docks Cash Office with each transaction.

6. A charge of Rs. 2 will be levied for the issue of a new Pass-book to replace a lost Pass-book.

7. Pass-books must be produced for inspection at any time on demand in writing by the Docks Manager or any of his staff.

Refunds.

8. Refunds due to Depositors for any overcharges paid in respect of Docks chappas will be adjusted by credit in the Pass-book. Less charges due to the Docks Department will be similarly debited.

9. Refunds will not be credited until all charges due to the Docks Department have been liquidated.

Overdrawals.

10. A Personal Deposit Account will, under no circumstances, be permitted to be overdrawn.

Verification of Accounts.

11. Half-yearly, at 30th September and 31st March, Depositors will be required to acknowledge correctness of their balance as shown in the Pass-book made up to that date.

Provisional Debits.

12. When Docks charges cannot be immediately assessed and in order to obviate delay to Depositors, delivery of imports and receipts for exports will be given under a Provisional Debit to a Deposit Account.

Provisional Debits must be adjusted as soon as possible and ordinarily will not be allowed to remain outstanding for more than one month. Entries of such debits and adjustments will be made in red ink.

No. 1705/207 of the 19th July 1923.

From the Chamber to Messrs. Louis Dreyfus & Co., Bombay.

I am directed to acknowledge the receipt of your letter No. L.G. 16/182, dated the 6th June 1923, on the subject of interest on deposits in respect of Mates' receipts for rail-borne cargo.

2. In reply I am at the outset to say that the delay in replying to this letter has been occasioned by the fact that

the question has been referred to the Port Trust and also twice to the Shipping and Export Sub-Committee of the Chamber.

3. With regard to your contention that the Port Trust should allow interest on the deposit of Rs. 5,000 required to cover the issue of mates' receipts prior to payment, I am to point out that the deposit carries with it special facilities and that you are under no obligation to maintain the deposit.

4. I am also to mention that the Port Trust are obliged under the Port Trust Act to bank with the Imperial Bank of India and hence they do not receive any interest on their bank deposits, and under all these circumstances my Committee consider that the Port Trust cannot logically be urged to pay interest on the deposit in question.

LG/6/227 of the 21st July 1923.

**From Messrs. Louis Dreyfus & Co., Bombay,
to the Chamber.**

Mates receipts for rail-borne cargo.

We beg to acknowledge with many thanks receipt of your letter No. 1705/207 of the 19th instant, contents of which have been read with much interest.

With regard to para. 3, in which you state that the deposit, carries with it special facilities, with which we are agreed, qualifying it by the statement that we are under no obligation to maintain the deposit, we regret we cannot agree with the latter statement as you must be aware that business would be absolutely impossible so far as big export houses are concerned, unless they enjoy the special facilities for which the deposit is made, and we contend therefore that such arrangement is absolutely obligatory.

With regard to para. 4, we are aware that under the Port Trust Act, the Port Trust is obliged to bank with the Imperial Bank of India, and further, that they do not receive any interest on current account; but, we are assured on the very

best authority, that if the Port Trust so desire, they can make special arrangements with the Imperial Bank of India to receive interest on sums placed in deposit account, and we see no reason why a Quasi Government department should be allowed to forego interest on its unemployed capital, which is to say the least, not a sound business proposition. The interest that we should lose on our deposit of Rs. 5,000 and which, we contend, we are entitled to receive, in any case, "cuts no ice" in either direction, at the same time the principle is wrong which is the only reason for this further letter.

APPENDIX R-1.

CARTING CHARGES IN BOMBAY.

Dated the 3rd May 1923.

**From Messrs. Brunner, Mond & Co. (India) Ltd., Bombay,
to the Chamber.**

We should be glad to know if the Chamber of Commerce has, at any time, endeavoured to standardise cartage charges in Bombay, particularly, from Alexandra, Princess and Victoria Docks to godown areas off Frere Road, Mazagon and to the mills. We understand that in Calcutta, definite charges are fixed for cartages between certain districts, but we do not know whether these rates are arranged by the Municipality or not. At any rate, to us and other importers it would be of tremendous advantage if something of the sort could be arranged, and perhaps, the Chamber may be in a position to raise the question.

No. 1188-190 of the 10th May 1923.

**From the Chamber, to Messrs. Brunner, Mond & Co. (India)
Ltd., Bombay.**

Cartage Charges.

I am directed to acknowledge the receipt of your letter dated the 3rd May, 1923, on the above subject noted.

2. In reply I am to inform you that my Committee have very carefully considered your suggestion that an effort should be made to standardise cartage charges in Bombay and they generally are in agreement with your remark that it would be of advantage to importers and others that hire carts and wagons if something of the sort could be arranged.

3. I am, however, to say that my Committee regret that they do not see their way to proceed with your suggestion at the present juncture, but I am to add that your letter has been recorded and your proposal will be borne in mind and that if my Committee find a practicable way of taking up your proposal they will communicate with you so as to obtain your advice and co-operation.

Dated the 11th May 1923.

**From Messrs. Brunner, Mond & Co., Bombay, to
the Chamber.**

We acknowledge receipt of your letter No. 1188-190, dated the 10th instant, for which we thank you, and the contents of which we have carefully noted.

APPENDIX R-2.

PROPOSED RESTRICTION OF HAND AND BULLOCK CART TRAFFIC ON HORNBY ROAD.

NOTIFICATION BY THE COMMISSIONER OF
POLICE, BOMBAY.

No. 7543-151.—The following draft of a Notification, which it is proposed to issue under Section 22 (1) (b) of the City of Bombay Police Act IV of 1902, is published as required by Section 22 (2) of the said Act for the information of the persons likely to be affected thereby, and notice is hereby given that the draft will be taken into consideration on or after the 1st October, 1923. Any persons having any objection

or suggestion to offer regarding it should *communicate* the same to the Commissioner of Police, Bombay, before that date.

DRAFT NOTIFICATION.

In exercise of the powers conferred by Section 22 (1) (b) of the City of Bombay Police Act IV of 1902, the Commissioner of Police, Bombay, is pleased to further amend the rules made under Section 22 (1) (b) of the Bombay City Police Act IV of 1902, and published at page 467 of Part I of the *Bombay Government Gazette* of 26th March, 1903, as follows, namely :—

The following new rules shall be inserted after rule 2 :—

“2-A. The use of Wodehouse, Esplanade and Hornby Roads of the Fort area is entirely forbidden to bullock carts, but bullock carts shall be allowed to use Cruickshank Road from Dhobi Talao and Hornby Road from Crawford Market up to Victoria Terminus.

Hornby Road south of Victoria Terminus, while forbidden to bullock carts, may be crossed by such carts in order to deliver goods in the streets behind Hornby Road, between the hours of 12 noon and 4 p.m.

2-B. Hand carts shall be permitted to use Hornby Road and Cruickshank Road from Crawford Market and Dhobi Talao up to Victoria Terminus, but they shall not be allowed on any of the main roads south of Victoria Terminus.”

P. A. KELLY,

Commissioner of Police, Bombay.

HEAD POLICE OFFICE,
Bombay, 20th August, 1923.

No. 2150-253 of the 5th October 1923.

From the Chamber to the Commissioner of Police, Bombay.

I have the honour to refer to the draft notification published in the local papers and dated the 20th August 1923, regarding the proposed restrictions in respect of the bullock and hand cart traffic in the Fort area, Bombay.

I am directed to inform you that my Committee have received several protests from members of the Chamber who consider that the adoption of the proposed restrictions would involve a serious interference with their business.

My Committee have carefully considered the objections to the proposals and they are of opinion that they are well founded, more particularly with regard to hand carts, for my Committee consider that the hand cart traffic is essential to the business of the city.

In conclusion I am to say that my Committee trust that the views of the members of the Chamber who have addressed you in this matter will be given due consideration before you issue any regulations in this connection.

NOTIFICATION BY THE COMMISSIONER OF POLICE,
BOMBAY.

No. 10883-151.—With reference to the Commissioner of Police, Bombay's draft Notification No. 7543-151, dated 20th August 1923, it is hereby notified for general information that the objections and suggestions received in connection therewith have been duly considered and the following amended draft notification is published for the information of the persons likely to be affected thereby, and notice is hereby given that the amended draft will be taken into consideration on or after 3rd January 1924. Any persons having any objection or suggestion to offer regarding it should communicate the same to the Commissioner of Police, Bombay, before that date :—

Amended Draft Notification.

In exercise of the powers conferred by Section 22 (1) (b) of the City of Bombay Police Act, IV of 1902, the Commissioner of Police, Bombay, is pleased to further amend the rules made under Section 22 (1) (b) of the Bombay City Police Act, IV of 1902, and published at page 467 of Part I of the *Bombay Government Gazette* of 26th March 1903, as follows, namely :—

The following new rules shall be inserted after rule 2 :—

- “ 2.A. The use of Wodehouse, Esplanade and Hornby Roads of the Fort area is entirely forbidden to bullock carts, but bullock carts shall be allowed to use Cruickshank Road from Dhobi Talao and Hornby Road from Crawford Market up to Victoria Terminus.

Hornby Road south of Victoria Terminus and Esplanade Road south of Floral Fountain, while forbidden to bullock carts, may be crossed by such carts at the following points :—

- (1) Bhattia Bagh,
- (2) Outram Road—Gunbow Street or *vice versa*,
- (3) Fuller Road—Rampart Row or *vice versa*.

- 2-B. Hand carts shall be permitted to use Hornby Road and Cruickshank Road from Crawford Market and Dhobi Talao up to Victoria Terminus but they shall not be allowed on Hornby Road south of Victoria Terminus and Esplanade Road south of Floral Fountain."

P. A. KELLY,
Commissioner of Police.

HEAD POLICE OFFICE,
BOMBAY, 27th November 1923.

No. 2518/253 of the 21st December 1923.

**From the Chamber to the Commissioner of Police,
Bombay.**

I am directed to refer to Mr. Ainscough's letter, No. 2150-253, dated the 5th October 1923, receipt of which was acknowledged in your letter No. R. I. 15406, dated the 6th October 1923, on the subject of the proposed restrictions on bullock and hand cart traffic in the Fort area.

2. At the outset I am to state that my Committee are glad to note that your proposals in the foregoing connection have since been modified to the extent indicated in your amended draft Notification No. 10883/151, dated the 27th November 1923, and it is with some regret that they are compelled again to address you in the matter in the light of the further objections to your amended proposals which they have since received from members of the Chamber.

3. The objections in the present instance appear to relate mainly to the restrictions proposed to be placed on the hand cart traffic and though my Committee are not yet in receipt of the views of all the members likely to be affected in either

connection, it will be apparent to you that the only approach to many business houses and banks situated on the Hornby and Esplanade Roads within the prohibited area and in the case of bullock carts, midway between the crossing points, is by the roads in question and consequently that the firms concerned will undoubtedly be put to a considerable amount of inconvenience and financial loss if your proposals are adopted as, in effect, they will be virtually isolated. On the other hand the Bombay Electric Supply and Tramways Co., the Bombay Gas Co., and the Municipality will be equally seriously impeded in the execution of their work in connection with repairs, etc.

4. My Committee do not wish, however, to dwell at any further length upon a situation which must be equally apparent to you, more especially as a sister Association has already addressed you direct in regard to the same difficulties, and I am accordingly merely to request that you will be good enough to accord the same sympathetic consideration to the present representation as you have done in the case of the original notification.

No. 262/151 of the 10th January, 1924.

From the Commissioner of Police Bombay to the Chamber.

With reference to your letter No. 2518/253, dated 21st December 1923, I have the honour to inform you that the proposals to regulate bullock cart and hand cart traffic in the Fort area will be dropped.

APPENDIX R-3.

PROPOSED TERMINAL TAX IN BOMBAY.

No. M. C. /31/A of the 18th December 1922.

**From the Municipal Commissioner for the City of
Bombay, to the Chamber.**

I have the honour to state that a Committee appointed by the Corporation has had under its consideration a proposal of

the Municipal Commissioner to substitute a non-refundable Terminal Tax for the existing system of refundable Town duties. It is believed that if carefully arranged such a tax would be more acceptable to the mercantile community than the existing system of town duties, with its troublesome procedure as to refunds. The Committee have approved the proposal in principle and have tentatively drawn up a detailed Schedule of articles proposed to be taxed and the rates at which the tax should be levied in each case. This tentative Schedule is as follows:—

Name of Article.	Taxation.	Per
	Rs. a. p.	
Coal and Coke	0 0 6	Bengal Maund.
Fodder	0 0 6	do.
Hides and skins	0 2 0	do.
Gunnies	0 2 0	do.
Oils all sorts (other than kerosine and petrol) ..	0 1 0	do.
Oil Kerosine	0 8 0	100 gallons.
Petrol	1 0 0	do.
Oil seeds	0 0 3	Bengal Maund.
Wrought iron and steel ..	0 1 6	do.
Tea	0 7 0	do.
Sugar, Molasses and Gur ..	0 0 9	Cwt.
Timber	2½ per cent. on value.	
Ghee	{ 0 6 0	Bombay Maund.
	{ 1 2 0	Bengal Maund.
Wines and Spirits	0 6 0	Imperial gallon.
Beer	0 0 6	do.
Nuts and dry fruits	0 1 0	Bengal Maund.
Spices, all sorts	0 0 6	do.
Grain	0 0 3½	do.
Flour	0 0 2	do.
Firewood	0 0 2	do.

Before proceeding further the Committee has asked me to ascertain the views of the Bombay Chamber of Commerce. I request that you will be good enough to place the proposal together with the Schedule before the Bombay Chamber of Commerce and inform me of their opinion at an early date.

I shall be glad if you also will state for the information of the Committee any suggestions which the Bombay Chamber of Commerce have to make concerning the schedule.

I attach for your information a print of my letter No. M.-C.-8-B., dated the 3rd January 1921, setting forth my original proposals in this connection. It will be seen that these proposals have been considerably modified.

I should be glad to be informed whether the Bombay Chamber of Commerce would be prepared to appoint two delegates to discuss the details of the Schedule with the Committee of the Corporation.

No. 143-42 of the 18th January 1923.

From the Chamber, to the Municipal Commissioner for the City of Bombay.

I am directed to acknowledge receipt of your letter, No. M.C.-31-A. of 1922-23, dated the 18th December 1922, submitting for the consideration of my Committee a proposal of the Municipal Commissioner to substitute a non-refundable Terminal Tax for the existing system of refundable Town duties, together with a detailed schedule of articles proposed to be taxed under the new system and the rates at which it is suggested that the tax should be levied in each case.

2. In reply I am to state that my Committee have approved the principle underlying the proposal and that in accordance with the invitation in that behalf conveyed to them in the last paragraph of your letter, they have appointed the Chairman of the Chamber, Mr. F. Nelson, M.L.C., and Mr. V. A. Grantham, to discuss the details of the schedule with the Committee of the Corporation to which they understand the matter is now under reference.

3. I am accordingly to request that the gentlemen named in the preceding paragraph may be afforded a very early opportunity of appearing before the Committee in question in order that the many important suggestions and modifications of the schedule which they have been deputed to urge on behalf of the members of the Chamber may receive the most earnest consideration of the Committee of the Corporation at an early stage in their enquiries.

No. M.C-4-A of the 20th July 1923.

**From the Municipal Commissioner for the City of
Bombay; to the Chamber.**

I have the honour to forward herewith copy of extract from the proceedings of a meeting held on the 9th July 1923 of the Committee regarding proposals for improving the sources of income by the substitution of a non-refundable terminal tax for the present town duties and to request that you will be so good as to favour me with any alternative proposals that your Chamber wish to put forward for the consideration of the Committee.

- A print of the correspondence on the subject is attached hereto for reference.

Extract from the Proceedings of a meeting, held on the 9th July 1923, of the Committee regarding improving the Sources of Income :—

“Considered the question of substituting a non-refundable Terminal Tax for the present Town Duties.

* * * * *

After discussion it was agreed that the representatives of the Chamber of Commerce, the Indian Merchants' Chamber, the Millowners' Association and the Grain Merchants' Association be requested to send their alternative proposals giving the figures of imports, the rates to be charged and the total revenue which may be derived there from including therein such other articles as were not included in the statement approved by the Committee or excluding therefrom any articles which they considered should be excluded.

It was also agreed that the Commissioner be requested to obtain from the Railways and the Customs Department figures for the imports of cement, manganese and wool.” •

Extract from the Proceedings of a meeting, held on the 4th December 1922, of the Committee regarding proposals for improving the Sources of Income of the Municipality :—

“Considered—Commissioner's letter No. M. C. /8/B., dated the 2nd January 1921, regarding proposals for improving the sources of income of the Municipality.

In connection with this question the Committee had also before them a further letter from the Commissioner, No. M. C./8/B., dated the 17th May 1922, forwarding a revised statement of the articles upon which and the rates at which Town Duty should be levied.

It was agreed that the Commissioner's proposals to substitute a non-refundable Terminal Tax for the existing system of Town Duties be approved.

The Committee then proceeded to consider in detail the Schedule of Articles proposed to be taxed and the rates at which the tax should be levied.

After discussion the Schedule was approved as under :—

Name of Articles.	Taxation.			Per.
	Rs.	a.	p.	
Coal and Coke	0	0	6	Bengal Maund.
Fodder	0	0	6	Do.
Hides and skins	0	2	0	Do.
Gunnies, ...	0	2	0	Do.
Oils all sorts (other than Kerosine and petrol.)	0	1	0	Do.
Oil kerosine	0	8	0	100 gallons.
Petrol	1	0	0	Do.
Oil seeds	0	0	3	Bengal Maund.
Wrought iron and steel ..	0	1	6	Do.
Tea	0	7	0	Do.
Sugar, Molasses and Gur ..	0	0	9	Cwt.
Timber	2½ % on value.			
Ghee	0	6	0	Bombay Maund.
Wines and spirits	1	2	0	Bengal Maund.
Beer	0	0	6	Imperial gallon.
Nuts and dry fruits	0	1	0	Do.
Spices, all sorts	0	0	6	Bengal Maund.
Grain	0	0	3½	Do.
Flour	0	0	2	Do.
Firewood	0	0	2	Do.

It was also agreed that the Commissioner be requested to invite opinions and suggestions on the revised Schedule from the Bombay Chamber of Commerce, the Indian Merchants' Chamber and Bureau, the Millowners' Association and the Grain Merchants' Association and place them before the Committee."

Letter from the Commissioner, No. M. C. 4A., dated the 17th April 1923 :—

“ With reference to your Memo. No. 8047, dated the 7th December 1922, forwarding an extract from the proceedings of a meeting of the Committee held on the 4th December 1922, requesting me to invite opinions and suggestions from the Chambers and Associations mentioned in the margin on the question of substituting a non-refundable Terminal Tax for the present Town Duties and on the Draft Schedule approved by the Committee in connection therewith, I have the honour to say that the bodies concerned were addressed in the matter and to forward herewith copies of the replies received from them for the information of the Committee. It will be seen from the letters that the Chambers and Associations wish to discuss certain details with the Committee and have nominated representatives with that object. I suggest that a convenient date for the meeting should be fixed well in advance so that the Chambers and Associations may be given ample notice of the time and date.”

Letter to the Commissioner, No. T. 80/65, dated the 22nd January 1923, from the Secretary, The Indian Merchants' Chamber :—

“ With reference to your letter No. 31-A of 1922-23, dated the 18th December 1922, regarding the substitution of a non-refundable terminal tax for the existing refundable Town Duty, I am directed by my Committee to say that they do not approve on principle of either the imposition of a Town Duty or a terminal tax. Such a form of taxation is economically wrong and involves besides a heavy cost of collection. They are, therefore, of opinion that the Bombay Municipality should abolish the tax when it has got other resources to meet the exigencies of revenue. In the meantime, however, and without prejudice to the principle laid down by my Committee above they propose the following alterations and additions to the Schedule :—

Fodder, Grain and Flour : These should be free from taxation altogether.

Manganese Ore must also be included with wrought iron and steel.

Coffee and Cocoa must be included with tea.

Timber must be taxed at 1 per cent. instead of 2½ per cent.

Ghee must be taxed at 4 annas per Bombay Maund and 12 annas per Bengal Maund instead of at 6 annas and Rs. 1-2-0, respectively.

Wines and Spirits must be taxed at 8 annas per Imperial Gallon instead of at 6 annas.

Beer must be taxed at 3 annas per Imperial Gallon instead of 6 pies.

With regard to the rest of the items occurring in the Schedule my Committee approve of the taxation proposed.

With regard to the last paragraph of your letter I am directed to inform you that Messrs. Devidas Madhavji Thakersey and Fazul Ibrahim Rahimtulla will represent this Chamber for the purpose of discussing the details of the Schedule with the Committee of the Corporation. Mr. Ramji Bharmal will act as an adviser."

Letter to the Commissioner, No. 95/35, dated the 9th February 1923, from the Assistant Secretary, The Millowners' Association :—

"I am directed to acknowledge receipt of your letter No. M. C. 31/A of the 18th December 1922, on the subject of the proposal of the Municipal Commissioner to substitute a non-refundable Terminal tax for the existing system of refundable town duties and to state that my Committee have carefully considered the proposals in its many aspects from the point of view of the members of the Association.

2. In reply I am to say that my Committee approve in principle of the proposed adoption of a non-refundable tax having regard to the manifold advantages such a tax possesses over one which involves the maintenance of expensive refund machinery.

3. My Committee have no suggestion to make concerning the Schedule at the present moment but they have nominated Mr. H. P. Mody to represent their interests before the Committee of the Corporation which has this matter under consideration."

Letter to the Commissioner, dated the 15th March 1923, from the Secretary, the Grain Merchants' Association :—

"I am directed to acknowledge receipt of your letter No. M. C. 31/A. of the 19th December 1922 and state in reply that my Committee are in favour of substituting a non-refundable tax for the existing system of refundable Town Duties and make the following suggestions in the tentative schedule given in your letter under reply :—

(1) Fodder should be free of tax as it is merely for the consumption of milch-cattle and animals.

(2) Under the head 'Tea,' Coffee and Cocoa should be included as they are of the same class.

- (3) The terminal tax on Ghee should be four annas per Bombay maund and twelve annas per Bengal maund instead of six annas and Rupee one and two annas respectively.

- (4) Grain, flour and firewood should be free of any taxes.

My Association have already nominated two delegates to discuss the details of the schedule with the Committee of the Corporation and they will attend the meetings of the Committee when called upon."

Letter to the Commissioner, dated the 11th April 1923, from the Secretary, the Grain Merchants' Association :—

"With reference to your letter No. M.C. 31/A., dated the 22nd ultimo, I beg to inform you that the following are the names of the delegates elected by the Association, to discuss the subject of terminal tax with the Sub-Committee appointed for the purpose by the Corporation.

1. Seth Ramdas Narandas, c/o The India Agency Co., Ltd., Apollo Street, Fort, Bombay.
2. Seth Mulji Bharmal, c/o Messrs. Bharmal Shripal, Broach Street, Dana Bandar, Bombay."

No. 1724/42 of the 23rd July 1923.

From the Chamber, to the Municipal Commissioner for the City of Bombay.

Proposed Terminal Tax.

I have the honour to acknowledge the receipt of your letter No. M. C. 4 A, dated the 20th July 1923, in which you request me to furnish you with the proposals that this Chamber wishes to put forward*on the subject noted above.

In reply I am to inform you that my Committee are preparing a schedule of articles for terminal taxation which they will recommend for substitution in place of the one already submitted to them. The schedule will also contain an estimate of the revenue that is likely to be obtained from each article, based upon the Government returns for the last two years.

Dated the 28th September 1923.

Report of the Sub-Committee consisting of Messrs. H. H. Sawyer, W. Deacon, G. Z. Meli and R. A. F. Kidson appointed in connection with the non-refundable terminal tax which it is proposed to levy in place of the existing town duties.

We understand that you intend to submit to the Bombay Municipality a schedule which you will recommend for substitution in place of the schedule already proposed by the Municipality of articles and rates of taxation per unit of each article for taxation under the non-refundable terminal tax which is to be levied in place of the existing town duties in Bombay.

You asked us to prepare such a schedule together with an estimate of the revenue that is likely to accrue from the taxes we should recommend the estimate to be based upon the average returns for the last two years for which suitable returns are available. This we have now done and we submit herewith the list of articles and rates of taxation per unit that we recommend you to submit to the Municipality. The estimated revenue from each article, which is shown opposite each item, is based upon the average of the Government returns for the two years 1920-21, 1921-22, except where otherwise shown. The list shows whether the figures are based upon the sea-borne imports, the rail-borne or both. Where the rail-borne figures are not included they are not available and in most of such cases they are negligible. On the whole, however, the omission of the rail-borne figures for certain items renders the total an under-estimate to a small extent if the Municipality intend to tax both sea and rail borne imports in all cases.

From the estimate it will be seen that about Rs. 51,00,000 can be collected annually, which we believe is rather in excess of the Municipal requirements and will therefore allow of some deletions if thought necessary.

In arriving at our conclusions we have thought fit to suggest the placing of this tax on as many articles as possible so as to distribute it equally and also to allow of the lowest rate possible being levied on each article.

No. 2198-42 of the 11th October 1923.

**From the Chamber, to the Municipal Commissioner for
the City of Bombay.**

I have the honour to refer to your letter No. M-C-4-A of the 20th July and my reply No. 1724-42 of the 23rd July 1923 in which my Committee agreed to furnish you with a schedule of articles and rates of taxation per unit of each article for taxation under the non-refundable terminal tax which it is proposed to levy in place of the existing town duties, and in which my Committee also agreed to prepare an estimate of the revenue that would probably accrue from the levy of these taxes.

2. My Committee understand that you desire to receive this schedule at an early date, and I am to inform you that its preparation has been hastened as much as possible. The Acting Secretary of the Chamber was instructed to call upon you on the 10th instant and explain that a draft schedule had been compiled by a Sub-Committee of the Chamber, but that this draft as not as yet been submitted to the members of the Chamber, which my Committee consider to be highly necessary. But the importance of giving to all firms interested in this new and far-reaching method of taxation an opportunity of expressing their views thereon, was not, my Committee feel, emphasised sufficiently, for they understand that you stated that you could hardly wait for a further 6 to 8 weeks while the draft schedule was being submitted to the members of the Chamber.

3. I am to convey to you my Committee's sincere regret that this delay should be necessary more specially as it has not hitherto been indicated that such a long time would be required; at the same time my Committee feel constrained to point out that there was a delay of four months or more between the time when the scheme was originally put forward and the meeting of Municipal Sub-Committee convened to consider its details, and my Committee feel convinced that it cannot be intended by the Corporation to submit proposals of this nature to Government without having first ascertained the

views of all the various firms and companies represented by this Chamber.

4. I am to take this opportunity of saying that my Committee would be greatly assisted in this matter if you would inform them of the amount that the Municipality wish to raise by means of this tax.

5. In conclusion I am to say that my Committee would be greatly obliged if you will afford them a reply in this connection at your earliest convenience.

No. M-C-4-A of the 18th October 1923.

**From the Municipal Commissioner for the City of Bombay
to the Chamber.**

I have the honour to acknowledge receipt of your letter No. 2198/42, dated the 11th October 1923, and to say that while appreciating the desirability of discussing the matter as fully as possible, so that the Corporation may approach Government after the commercial interest in the City have had ample opportunity of expressing their views, I hardly consider it necessary for you to delay the matter any further as considerable time is likely to elapse while the draft schedule which you have been good enough to prepare, is being printed and arrangements made for a meeting of the Corporation Committee. I gather that you anticipate that it will take 6 or 8 weeks to circulate the draft schedule among your members and receive their replies. I would suggest that this circulation should take place immediately and that at the same time you should forward to me a copy of the draft schedule reserving a right for the representatives of the Chamber of Commerce who will meet the Corporation Committee to modify the suggestions contained in the schedule after replies have been received from the members of the Chamber of Commerce.

As to the para. 4 of your letter I think we must aim at raising not less than 35 lakhs per year by means of the proposed town duties. But any amount in addition to that figure which could be so raised would furnish an alternative to additional

taxation in the form of General Tax and it may, therefore, be urged that endeavours should be made to collect not less than 50 lakhs of rupees by means of the proposed Terminal Tax. I should be glad to be informed if you will accept the proposal made in para. 1 of this letter.

No. 2500/42 of the 3rd December 1923.

From the Chamber to the Municipal Commissioner for the City of Bombay.

With reference to your letter No. MC/4/A, dated the 18th October 1923, I now have the honour to hand you the enclosed schedule of taxes, which, if a terminal tax yielding approximately 35 to 45 lakhs of rupees a year is to be put into operation in Bombay, my Committee consider should be substituted for the schedule of terminal taxes already proposed by the Municipality. In thus submitting this schedule I am to point out that it may be necessary for the tax to be revised from year to year; for articles which can now bear a terminal tax may not be able to do so at some future date.

2. My Committee, I am to say, have prepared the accompanying schedule and have co-operated with the Municipality in this matter on the understanding that additional revenue was necessary for the performance of the duties of the Municipality towards the city and they have, until recently, assumed that the money to be collected from the terminal tax would not be wasted but would be so spent as to burden the taxpayer as little as possible. Now, however, my Committee are surprised to observe that, according to a resolution recently adopted by them, the Municipality no longer intend to conform to their prescriptive policy of purchasing in the world's cheapest markets.

3. I am to state, definitely and clearly, that unless my Committee are assured without any possibility of doubt that the Municipal revenue will be spent economically and in the interests of the general public, my Committee will do all that lies within their power to oppose the sanction of the proposed terminal tax by Government, and in this connection I am to request you to communicate with me at an early date.

PROPOSED TERMINAL TAX. **SCHEDULE OF TAXES.**

Submitted by the Bombay Chamber of Commerce to the Bombay Municipality with letter No. 2500-42 of the 3rd December 1923.

Articles. (a)	Unit.	Average Number or Value for two years (b)	Sea or Rail. (c)	Rate of Tax	Estimated Return from Tax. (d)	REMARKS.
Boots and Shoes	Pairs	1,97,511	S	2 annas per pair ..	Rs. 24,688	
Building and Engineering materials other than of Iron, Steel or Wood (excluding Bricks and Tiles)	Tons	97,943	S.	1 Rupee per ton ..	97,943	
Bricks and Tiles	Nos.	8,58,76,798	S	Half anna per 100..	26,836	
Chemicals and Chemical preparations.. .. .	Value	83,02,883	S & R	1% <i>ad valorem</i> ..	83,028	
Clocks and Watches and parts thereof	"	21,26,022	S.	" "	21,260	
Coal, Coke and Patent Fuel	Tons	20,39,903	S & R	2 annas per ton ..	2,54,983	
Cutlery	Value	12,75,907	S	1% <i>ad valorem</i> ..	12,757	
Drugs and Medicines	"	95,03,324	S. & R	" "	95,039	

Dyeing and Tanning Substances:—

Alizarine, Aniline, Indigo and others ..	lbs.	1,75,48,503	S & R	2 pies per lb.	1,82,797
Barks, Cochineal, Cutch, Myrabollam Extracts & Saffron ..	Tons	39,855	S & R	2 annas per ton	4,982
Earthenware and Porcelain ..	Value	37,45,204	S	1% <i>ad valorem</i>	37,452
Furniture and Cabinetwork ..	"	21,23,036	S	"	21,230
Glass and Galsware ..	"	1,44,76,335	S	"	1,44,763
Hardware, (excluding Cutlery and Electroplatedware) ..	"	2,63,36,987	S	"	263,369
Instruments, Apparatus, Appliances and parts thereof:—					
Electrical ..	"	1,73,05,454	S	"	1,73,054
Musical ..	"	10,80,977	S	"	10,809
Leather, (excluding Tanned Hides and Skins, and Boots and Shoes) ..	"	1,03,90,840	S & R	"	1,03,908
Liquors:—					
Ale, Beer and Porter ..	Gallons	12,78,967	S & R	6 pies per gallon	39,067
Spirits and Wines ..	"	15,98,001	S & R	2 annas per gallon	1,99,750
Machinery and Mill-Work ..	Value	10,30,83,549	S & R	1% <i>ad valorem</i>	1,28,854
Carriages and Carts (excluding Railway Carriages and parts)	"	10,97,608	S	1% <i>ad valorem</i>	10,976
Carried forward ..		....	..	....	19,38,445

Articles (a)	Unit.	Average Number or Value for two years (b).	Sea or Rail, (c)	Rate of Tax.	Estimated Return from Tax, (d)	REMARKS.
Brought forward ..	....	....	..	....	Rs. 19,38,445	
Parts of Carriages (excluding Rubber Tyres) ..	Value	9,00,404	S	1% <i>ad valorem</i>	9,004	
Cycles other than Motor Cycles	"	6,36,003	S	"	6,360	
Parts of Cycles (excluding Rubber Tyres) ..	"	4,92,158	S	"	4,921	
Motor Cars ..	"	1,74,05,568	S	"	1,74,055	
Motor Cycles ..	"	8,58,193	S	"	8,581	
Parts of Motor Cars and Motor Cycles and Accessories, (excluding Rubber Tyres) ..	"	45,85,448	S	"	45,854	
Motor Wagons ..	"	50,36,677	S	2% <i>ad valorem</i>	1,00,732	
Metals and Ores (excluding Manganese) ..	Tons	6,00,226	S & R	2 annas per ton	75,028	
Oils, Mineral :—						Estimated on recent imports
Fuel, Oil ..	"	2,00,000	S	4 annas per ton	50,000	Do.
Lubricating Oil ..	Gallons	41,10,859	S	$\frac{1}{2}$ anna per gallon	1,28,458	Do.
Petrol ..	"	40,00,000	S	"	1,25,000	Do.

Paints and Painter's materials . .	Value ..	61,32,505	}	S	1% <i>ad valorem</i> ..	30,862
Precious stones and Pearls unset	Tons	6,168		S	2½% <i>ad valorem</i> ..	1,49,183
Provisions and Oilmanstores, excluding seaborne vinegar .	Value ..	59,67,345		S & R	1 anna per cwt.	29,295
Rubber Manufactured :—	Tons	23,436				
Rubber Tyres for Motor Vehicles ..	Nos.	67,586		S	1 rupee per tyre ..	67,586
Rubber Tubes for Motor Tyres ..	"	1,05,384		S	4 annas per tube ..	26,346
Other Manufactures, except Boots and Shoes ..	Value ..	39,46,552		S	1% <i>ad valorem</i> ..	30,465
Seeds ..	Tons	4,00,966		S & R	8 annas per ton ..	2,00,483
Soaps ..	"	6,844		S	1 anna per cwt. ..	8,555
Spices ..	"	41,200		S & R	2 annas per cwt. ..	1,03,000
Stone and Marble ..	"	1,17,604		S & R	1 Rupee per ton ..	1,17,604
Sugar, including Saccharine ..	"	1,45,126		S & R	1 anna per cwt. ..	1,81,407
Cotton Piece-goods—Grey, White, & Coloured, Handkerchiefs, Shawls and Blankets ..	Bales & Cases.	2,44,130		S & R	4 annas per package	61,092
Cotton Twist and Yarn ..	" "	1,15,847		S & R	" "	28,961
Carried forward .	..	....		..	.....	37,01,017

Articles. (a)	Unif.	Average Number or Value for two years. (b)	Sea or Rail. (c)	Rate of Tax.	Estimated Return from Tax. (d)	REMARKS.
Brought forward	..	....	..	....	Rs. 37,01,017	
Cotton and other Manufactures— Canvas, Hosiery, etc.	Bales & Cases.	6,594	S	8 annas per package	3,297	(Number of bales estimated from actual value at appraising figure, one bale cost Rs. 800.)
Cotton Rope and Thread, sewing	"	3,719	S	"	1,859	
Haberdashery and Millinery, Lace, Towels, etc. ..	"	19,418	S	"	9,709	(Number of bales estimated from actual value at appraising figure, one bale cost Rs. 500.)
Hemp—Raw	Bales	38,100	S & R	8 annas per bale	19,050	(Number of bales estimated from actual value at appraising figure, one bale cost Rs. 500.)
Hemp—Manufactures ..	"	599	S	"	299	
Jute—Raw	"	4,940	R	"	2,470	

		1,24,686	S & R	2 Rupees per package.	62,343	(Number of bales estimated from actual value at appraising figure, one bale cost Rs. 500.)
Jute—Manufactures, Gunny-Cloth, Canvas, Rope and Twine	"		S & R	"		
Silk—Raw, Waste and Yarn ..	Bales and Cases.	14,020	S & R	2 Rupees per package.	28,040	
Silk Manufactures, Piece-goods, and Silk goods mixed with other materials ..	Cases	13,799	S & R	8 annas per package	6,899	
Artificial Silk Yarn ..	"	206	S	"	103	
Artificial Silk Piece-goods ..	"	3,013	S	"	1,506	(Number of bales estimated from actual value at appraising figure, one case cost Rs. 1,000.)
Wool—Raw	Bales	51,489	S & R	8 annas per bale	25,744	
Woolen Yarn and Knitting Wool.	Bales and Cases.	1,290	S	8 annas per package.	645	
Woolen Manufactures—Blankets, Carpets, Rugs, Hosiery, etc.	Value (actual) Packages (estimated) Bales and Cases.	38,87,721	S & R	"	3,887	(Number of packages estimated from value at Rs. 500 a package.)
Woolen Piece-goods ..	"	7,775	S & R	"	4,384	
Toys and Requisites for Games and Sports, including Fishing Tackle	Value	21,35,205	S	1% ad valorem	21,352	
Carried forward		....	..	....	38,92,604	

Articles: (a)	Unit.	Average Number or Value for two years (b).	Sea or Rail. (c)	Ratio of Tax.	Estimated Return from Tax. (d)	REMARKS.
Brought forward ..	..	....	..	..	Rs. 38,92,604	
Wood and Timber other than Railway Sleepers, Sea-borne. ..	C. Tons ..	1,33,371	S	2 Rupees per ton ..	2,66,742	
Wood and Timber other than Railway Sleepers, Rail-borne. ..	Tons ..	23,478	R	" " "	46,956	
Cinema Films in length ..	Feet ..	47,11,370	S	3 Rupees per 1,000 feet.	14,134	(Figures for 1922-23.)
Total ..	..	....	..	....	42,20,436	

NOTES.—(a) The classification adopted is the same as that in the Annual Returns of the Sea-borne trade of British India issued by the Government of India.

(b) These averages are based on the returns for the years 1920-21 and 1921-22 except where otherwise stated.

(c) The letters S. & R. indicate whether the figures in the previous column are based on the Sea-borne or the Rail-borne imports or both. They are not intended to mean that the tax will be based on the Sea-borne imports or the Rail-borne imports only, as it is understood that the Municipality will tax both Sea-borne and Rail-borne imports in all cases. The Rail-borne imports are omitted from certain items as the statistics are not available.

(d) These estimates are calculated from the figures in the preceding columns. In some cases the revenue from the tax will exceed the estimate owing to the omission of the Rail-borne imports.

APPENDIX R-4.

DISCHARGE OF SEWAGE INTO THE HARBOUR.

No. 1110/144 of the 3rd May 1923.

From the Chamber to Mr. G. L. Winterbotham.

I am directed to address you, as the Chamber's representative on the Bombay Municipal Corporation, on the subject of the proposed Municipal scheme to divert the present sewage outfall into the harbour.

2. During August 1922, as a result of a very careful consideration of the subject, my Committee informed Mr. H. G. Cocke, who was then one of the Chamber's representatives on the Municipal Corporation, that they hoped that when the matter came before the Corporation or the Standing Committee again, he would place on record the considered opinion of the Committee of the Bombay Chamber of Commerce that the execution of the scheme would involve very serious probabilities of injury to the port and harbour and that they were not prepared to agree to it until such time as the consensus of expert opinion is to the effect that no undue pollution of the waters of the harbour is likely to result therefrom.

3. My Committee have again given the matter their most careful consideration, in the light of the recent discussions that have taken place and the notes that have been issued on the subject by the Corporation and by the Port Trust, and they are still of the same opinion as they expressed to Mr. Cocke last August and accordingly I am to request you to take the same action as they requested Mr. Cocke to take.

4. If it would be of interest to you I shall be very pleased to lend you the Chamber's file of papers on the subject.

Dated the 9th May 1923.

From Mr. G. L. Winterbotham to the Chamber.

I beg to return herewith the Chamber's two files of papers in connection with the new Drainage proposals of the Corporation.

I see that these only contain a newspaper abstract of the Corporation Drainage Committee's report of 19th February 1923 which was adopted by the Corporation at one of their March Meetings, i.e., before the New Corporation came into office.

I enclose this* together with the various appendices for your information and the completion of your files.

The Corporation having adopted the report the position as far as the Municipality is concerned now is as stated in the Commissioner's letter, dated 10th February 1923, Appendix No. IX and the Commissioner has presumably moved Government for sanction under Section 245 of the Municipal Act.

As the Port Trust have also moved Government to appoint a Commission of Enquiry to decide upon the points at issue it may be presumed that Government will not give the required sanction without further enquiry.

I will keep you informed of any further developments on the Municipal side.

No. 1198/144 of the 11th May 1923.

From the Chamber to Mr. G. L. Winterbotham.

I am in receipt of your letter, dated the 9th instant and beg to thank you for the Chamber's two files of papers relating to the new Drainage proposals of the Corporation which you returned therewith.

I also have to thank you for the copy of the Corporation's Drainage Committee's report of the 19th February 1923, which you kindly sent to me for information and the completion of the Chamber's files.

I am further directed to thank you for your note explaining the position in connection with the new proposal at the present moment and for your promise to keep the Chamber informed of further developments on the Municipal side.

*Not printed.

Dated the 7th August 1923.

From Mr. G. L. Winterbotham to the Chambers.

Municipal Drainage Scheme.

I beg to enclose a note which explains the most recent development in this matter.

The Municipality passed a resolution yesterday agreeing to bear half the cost of the expenses necessary to obtain the services of the expert to whom the Government propose to submit the Scheme for adjudication.

No. S. E. 278/A. of the 28th July 1923.

From the Municipal Commissioner to the Corporation.

"I have the honour to refer to the Corporation Resolution No. 11226, dated the 23rd March 1923, approving and adopting the report of the Drainage Committee reconstituted by Corporation Resolution No. 2493 of the 26th June 1922, regarding the drainage and sewerage schemes for the north of the Island and the City of Bombay.

In accordance with para. 2 of the Resolution, I approached Government to obtain sanction to the discharge of the sewage into Kurla Creek. I have now received from Government a letter No. 4257 G. of the 19th July 1923 (copy attached) stating that they propose to obtain further expert advice and asking if the Corporation will be willing to bear half the expenses necessary. Incidentally I would remark that I do not consider that the statement that "the weight of the expert opinion is hostile to the scheme as it now stands" is justified by the facts; but there can be no doubt that the question involved is one the settlement of which is of such importance for the future of the city that too great care cannot be exercised in arriving at a decision. I understand that Government propose to ask the Bombay Port Trust who have raised objections to the scheme to bear half of the expenses involved and in the circumstances it is not unreasonable that the Corporation should agree to bear the other half. Accordingly, I request the Corporation to authorize me to reply to the question in para. 3 of the Government letter in the affirmative.

I would ask that this letter may be dealt with by the Corporation as urgent business."

No. 4257/G of the 19th July 1923.

**From the Government of Bombay, General Department,
to the Municipal Commissioner.**

"I am directed to refer to your letter No. S. E./278/A., dated the 22nd May 1923, regarding the proposed Drainage scheme for the City of Bombay and to state that the Government of Bombay have given the most careful consideration to the proposal of the Municipality.

2. The Government of Bombay appreciate the care with which the scheme has been drawn up but they are compelled to recognize the weight of the expert opinion which is hostile to the scheme as it now stands. In view of this opinion, of the magnitude of the issue, and of the necessity for a very early decision, they have decided that it is essential to request the High Commissioner for India to ask the President of the Institute of Civil Engineers to select an expert fully qualified to report upon all aspects of the scheme and therefore capable of adjudicating finally as between the various expert opinions now before Government to advise Government upon them.

3. As this is the only possible method of arriving at an early decision, Government feel sure that the Municipality will agree that the engagement of such an expert will be directly useful to them as well as to Government and I am therefore to ask whether the Bombay Municipality are willing to bear half the expenses necessary to obtain his services. The estimated cost will be communicated to you when ascertained.

As the urgency of the question is recognised on all sides, I have to request you to place this matter before the Corporation at the earliest possible date."

No. 1872/144 of the 15th August 1923.

From the Chamber to Mr. G. L. Winterbotham.

Municipal Drainage Scheme.

I am directed to thank you for your letter, dated the 7th instant, in which you state that the Municipality have agreed to bear half the cost of the expenses necessary to obtain the services of the expert to whom the Government propose to submit the above scheme for adjudication.

The Port Trust have agreed to bear the other half of the cost and my Committee now await the decision of the adjudicator with interest.

APPENDIX S-1.

EMPIRE COTTON GROWING CORPORATION.

Dated March 1923.

Copy of letter from the Empire Cotton Growing Corporation, to all members of Parliament.*Empire Cotton Growing.*

The Second Reading of the *Cotton Industries Bill*, of which a copy is enclosed will take place on *Friday, April 13th*. You will see that it is backed by Members of all shades of political opinion who represent textile constituencies; moreover, the President of the Board of Trade on behalf of the Government has promised that full facilities will be given to effect the passage of the Bill. I have been instructed by the Council of the Empire Cotton Growing Corporation to bring before you the following summary of the reasons that have rendered the introduction of this Bill necessary, and its vital importance to the cotton industry of this country.

Cotton yarn and fabrics form over 25 per cent. of the value of the total exports of this country. The greater part of the raw material used in the manufacture of these goods comes to us from the United States of America. The United States are using each year an increasing proportion of cotton in their own mills, while unfortunately their crops have fallen off considerably since 1914. In 1917 the Government, realizing the danger of allowing this country to remain so largely dependent on one country for the supply of raw cotton, appointed a Committee "to investigate the best means of developing the growing of cotton within the Empire, and to advise the Government as to the necessary measures to be taken for this purpose." This Committee in its Report recommended that a permanent organisation should be set up, to be known as the Empire Cotton Growing Corporation, to promote the growing of cotton within the Empire, thus to open up fresh fields for its cultivation, and, as a result of the increased prosperity of those parts that would follow, to develop new markets for the manufactured article.

The Committee suggested that the responsibility for financing their proposals should be shared by the Government and the Cotton Industry, and, as stated in the Bill, the Government have made a grant to the Corporation of nearly a million sterling, this being a part of the profits resulting from the operations of the Egyptian Cotton Control Board in the handling of Egyptian cotton during the War. Those profits arose from the sale of cotton by the Government to cotton spinners during the war, and the fraction of them that has been handed back to the

industry in this way was derived from that industry alone and not from the taxpayer. This grant was conditional upon the contribution from the cotton industry being forthcoming. As a result of meetings held in Lancashire the support of the owners of over 90 per cent. of the spinning spindles in the country was obtained to a proposal that a contribution at the rate of 6d. for every 500 lbs. of raw cotton used should be paid by spinners to the funds of the Corporation. With so large a degree of unanimity in favour of the scheme it was anticipated that the contribution would become universal by the adoption of by-laws by the Liverpool and Manchester Cotton Associations, enacting that the charge of 6d. per 500lbs. should be added by their members to all invoices for raw cotton forwarded to spinners. It was then found, however, that for legal reasons these Associations were unable to pass such by-laws, and the present Bill is required in order to regularise the position.

It was always anticipated by the Board of Trade Committee that the contributions required to finance the scheme would be paid by all spinners alike when its principle had been accepted by the owners of so large a proportion of the spindles as 90 per cent. The great majority of the spinning firms held the same view. They felt that it was unfair on those spinners who support the proposal to leave on a voluntary basis a movement which must benefit the whole industry, and the owners of nearly half the spindles who at present continue to pay the contribution voluntarily have intimated their unwillingness to continue to do so unless legislation is passed making such contributions obligatory on all.

It should be emphasised that the Bill which seeks to impose this charge on spinners, is introduced at the instance of the spinners themselves, and indeed as the result of a referendum on the specific question of the desirability of legislation to make the contributions obligatory and universal, the owners of less than 9 per cent. of the spindles in the country have expressed themselves as being opposed to it.

The facts as regards the supply and consumption of the raw material, are briefly as follows:—

Before the War it was estimated that the world consumed each year from 700,000 to a million bales more cotton than in the previous year. Since the War, world consumption is returning rapidly to the pre-war level, and even if the large annual increase of supplies of pre-war years is not yet required, production on at least a pre-war scale will be necessary in the early future to meet the demand. The position with regard to the supply is already critical. The American crop, which forms 60 per cent. of the total, in the five years before the war averaged 13½ million bales. Last season it was under 8 million, and this season less than 10 million bales. The Egyptian crop moreover now reaches barely 70 per cent. of its pre-war average. The danger of a failure of supplies to meet the demand is therefore apparent, and the effort to increase the cotton fields of the world and simultaneously to develop the resources of the Empire is both prudent and timely in the interest

of this country, and already has the warm support of both spinners and operatives in the cotton industry.

Unless the Bill now before Parliament becomes law, it is well nigh certain that the activities of the Empire Cotton Growing Corporation will be at an end.

In these circumstances I am instructed by the Council to express the hope that you will give your active support to the measure to the passage of which the Government has already pledged itself to afford full facilities.

The Corporation will be happy to supply any further information that you may desire.

A bill to Provide for the collection of a contribution by cotton spinners in the United Kingdom to the funds of the Empire Cotton Growing Corporation; and for other matters relating to the Cotton Industry.

Whereas by charter under His Majesty's Sign Manual granted on the first day of November, nineteen hundred and twenty-one the Empire Cotton Growing Corporation was incorporated with the object of extending and promoting, in the interest of the British Empire, the growing and cultivation of cotton in the British Dominions, Protectorates, Protected States and countries or places over which Great Britain might have any mandate or control:

And whereas an agreement was made on the twenty-first day of December, nineteen hundred and twenty-one, between the Board of Trade of the one part, and the Empire Cotton Growing Corporation of the other part, providing for the grant to the Empire Cotton Growing Corporation of a sum of nine hundred and seventy-eight thousand seven hundred and fifteen pounds from public funds upon the terms in the said agreement contained:

And whereas with the approval of cotton spinners owning at least ninety per centum of the total number of spindles operated within the United Kingdom, the Liverpool Cotton Association, Limited, and the Manchester Cotton Association, Limited, have passed bye-laws providing for a contribution at the rate of sixpence for every five hundred pounds or portion thereof on all invoices for cotton (excluding cotton waste) forwarded to spinners in the United Kingdom who had agreed to this charge:

And whereas it is desirable to provide for the collection of a contribution of sixpence on every five hundred pounds or portion thereof of cotton (excluding cotton waste) invoiced to spinners in the United Kingdom as referred to in the said agreement, and that such contribution should be paid by all spinners in the United Kingdom:

And whereas the publication of statistics directed by the Cotton Statistics Act, 1868, has ceased to serve a useful purpose :

Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

Definitions. 1. In this Act the words following shall have the following meanings :—

“The Corporation” shall mean the Empire Cotton Growing Corporation.

“Cotton” shall mean raw cotton which has not passed through any process of manufacture and which is in a state suitable for spinning by a cotton spinner.

“Cotton spinner” shall mean any corporation, firm, or person carrying on in the United Kingdom the business of spinning cotton into yarn.

“Gross weight” shall mean the weight of any bale or parcel of cotton before deducting the weight of draft bands and tares.

“Invoiced” shall include any account note or memorandum showing the sum payable in respect of the purchase of cotton or for the sale of cotton to a cotton spinner.

Contributions by cotton spinners.

2. There shall be paid to the Corporation in respect of every purchase of cotton by a cotton spinner a contribution of sixpence for every five hundred pounds gross weight or portion thereof of the cotton so purchased. The amount of the said contribution may be treated by the cotton spinner as an addition to the cost of the cotton and may be recoverable by the Corporation from the cotton spinner as if the same were a contract debt due by the cotton spinner to the Corporation. The Corporation shall be entitled to require any cotton spinner to render accounts to the Corporation showing the amount payable by him under this Act.

Provisions as to collection of contributions.

3. The Corporation may make arrangements with the Liverpool Cotton Association, Limited, and the Manchester Cotton Association, Limited, and with any other body or any of them, for the collection of the said contribution by the members of such association or body by adding the amount of the contribution to invoices rendered by the members of any such association to any cotton spinner in respect of any cotton sold to or bought for account of a cotton spinner, and the payment by any cotton spinner to any member of such an association with whom such an arrangement has been made shall be a good discharge to the cotton spinner, and thereafter the remedy of the Corporation shall be against the person to whom such payment has been made by the cotton spinner.

4. Nothing herein contained shall impose any liability on a cotton spinner to make the said contribution in respect of any cotton purchased by him where such cotton is not to be used for spinning in the United Kingdom.

Savings.

5. The Cotton Statistics Act, 1868 (which relates to the collection and publication of statistical information respecting stocks and the importation and exportation of cotton), shall cease to have effect.

Repeal of
31 & 32 Vict.
c. 33.

6. This Act may be cited as the Cotton Industry Act, 1923, and the provisions in sections one to four (inclusive hereof) shall remain in force for a period of five years.

Short title
and extent.

APPENDIX S-2.

COTTON MARKETS ON THE BERAR SYSTEM.

No. 1149/3 of the 11th April 1923.

**From the Secretary, Indian Central Cotton Committee,
to the Chamber.**

Subject: Open Cotton Markets.

One of the most important recommendations of the Indian Cotton Committee was the provision of open cotton markets in cotton growing tracts. Such markets at present exist only in the Central Provinces and Berar, and the Berar markets in particular were commended by the Indian Cotton Committee. This question has been further examined in considerable detail both by the Board of Agriculture in India and the Central Cotton Committee, and further evidence has been received of the superiority of the Berar type of markets. Cotton markets in Berar are established under a special law, and their establishment in other provinces would require similar enabling legislation. The Central Cotton Committee are informed that the Bombay Government have under consideration a Bombay (District) Cotton Markets Bill to provide for the constitution of open cotton markets in the Bombay Presidency. A similar Bill for Madras has for some time been under consideration by the Madras Provincial Cotton Committee and their recommendations have been supported by the Central Cotton Committee.

The Central Cotton Committee have for some time been engaged on an examination of details and have been in correspondence with various provincial Cotton Committees on

this subject. They have also collected considerable additional information as to the system of selling cotton in force in different parts of India.

The outstanding advantages of the Berar markets appear to be :—

- (1) that the cultivator is brought in direct touch with substantial buyers ;
- (2) that proper weighment is provided for, that unauthorised allowances such as prevail in many other markets have largely been stopped, and
- (3) that prices are well-known to the sellers.

It has been definitely ascertained that some 50 per cent. of the cotton brought into Berar markets is brought in by growers themselves and not by petty dealers.

The Berar law and the rules governing Berar markets will be found in the appendix to the Indian Cotton Committee's report. Certain improvements could doubtless be made in drafting Acts and rules for various provinces to meet local conditions, particularly in providing a larger measure of elasticity in the constitution of Market Committees and by providing, wherever practicable, for direct representation of the growers on those Market Committees. Generally speaking the Berar system appears to be suitable, to have been a success and to have proved its value.

There are obvious advantages to be obtained by regulation of kapas markets by strong Market Committees. Not only can the above desiderata be provided for but organised markets under proper control would enable the grading of kapas to be developed. At present such grading is not usually done. Substantial buyers in the larger markets have to take kapas as it arrives and are often unable to secure uniform superior lots for which they would be willing to pay higher prices. The Central Cotton Committee is examining separately the question of cleaner picking of cotton, but it is not possible to entirely dissociate this problem from general market organisation as the information already collected by Agricultural Departments goes to show that it is largely a question of making it worth while to the cultivator to incur

the additional expense and trouble which cleaner picking entails.

It is, however, clear that the success of cotton markets must largely depend on their being opened in places where producers themselves would use them. While some information has been collected from Agricultural Departments, my Committee feel that different sections of the industry and in particular, individual cotton merchants could probably give much valuable advice and information as to where it would be possible to open new cotton markets with a reasonable likelihood of success. I am, therefore, to invite the views of your Chamber on this point.

No. 1178/171 of the 10th May 1923.

Circular to all Members of the Chamber interested in the raw cotton trade.

I am directed to subjoin a copy of a letter from the Indian Central Cotton Committee addressed to the Chamber on the subject of open cotton markets on the Berar system and to draw your attention to the last paragraph thereof wherein you will observe that the Indian Central Cotton Committee suggest that different sections of the industry, and in particular individual cotton merchants, could probably give much useful advice and information as to where it would be possible to open new cotton markets with a reasonable likelihood of success.

I am to request you kindly to intimate to me any advice or information in that connection that it may be in your power to give in order that my Committee may be in a position fully to represent the opinion of the Chamber and to give as much information as possible in their reply to the Indian Central Cotton Committee.

No. 1609/171 of the 4th July 1923.

From the Chamber to the Secretary, The Indian Central Cotton Committee.

I am directed to acknowledge the receipt of your letter No. 1149/3, dated the 11th April 1923, in which you request

the opinion of this Chamber as to where open cotton markets on the Berar system might be established with a reasonable likelihood of success.

In reply I am to hand you the attached extracts from letters addressed to the Chamber by certain members who give therein their opinions on this subject.

Extracts from letters from members of the Chamber suggesting places where Open Cotton Markets on the Berar System might be established with a reasonable likelihood of success.

"Ahmednagar Barsi .. in the Barsi-Nugger District.

Broach Jambusar Ank-
leshwar Furat Kim ". in the Broach districts.

"Open Cotton Markets.—There is no doubt that Cotton Markets as they are established now in the more important cotton places of the Berar Districts have proved a success and that the establishment of Markets on similar lines in the Bombay Presidency should be warmly advocated. We are of opinion, however, that markets on basis of the Berar system, for which special legislation will be necessary, should be confined to places with certain minimum arrivals per season and that markets that get below 10,000 bales are not important enough to justify the trouble and outlay in connection with the establishment of such markets.

According to our records the following markets will get arrivals of 10,000 bales and over during the present season :

Khandeish District :

Dhulia	..	..	abt.	..	94,000 bales.
Shirpur	..	..	"	..	10,000 "
Jalgaon	..	..	"	..	24,000 "
Pachora	..	..	"	..	26,000 "
Shendurni	..	..	"	..	18,000 "
Jamner	..	..	"	..	12,000 "
Maheji	..	..	"	..	12,000 "
Faizpur	..	..	"	..	23,000 "
Chopda	..	..	"	..	15,000 "
Amalner	..	..	"	..	35,000 "

Broach Surat District :

Ankleshwar	..	..	abt.	..	30,000 bales.
Jhagadia	..	..	"	..	20,000 "
Broach	..	..	"	..	58,000 "
Palej	..	..	"	..	51,000 "
Miyagaon	..	..	"	..	12,000 "
Itola	..	..	"	..	15,000 "
Samlaya	..	..	"	..	25,000 "
Jambusar	..	..	"	..	11,000 "
Dabhoi	..	..	"	..	40,000 "
Bodeli	..	..	"	..	10,000 "
Bhadarpur	..	..	"	..	12,000 "
Navsari	..	..	"	..	22,000 "
Surat	..	..	"	..	20,000 "
Kim	..	..	"	..	10,000 "
Bardoli	..	..	"	..	20,000 "

Comptah Dharwar District :

Hubli	..	..	"	..	63,000 "
Gadag	..	..	"	..	12,000 "
Bailhongal	..	..	"	..	11,000 "

Bagalkote Bijapur District :

Bagalkote	..	..	"	..	12,000 "
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From what experience we have, we venture to say that there should be little or no difficulty in establishing cotton markets of the Berar system in the Khandesh, Comptah/Dharwar and Bagalkote Districts, where already now mostly bargains in ready Kappas and cotton are made. In the Broach/Surat Districts the bulk of the business is transacted on basis of forward contracts and it would probably take some time here to change things and get all concerned to see the benefits of open markets of the Berar system."

"It would appear from the letter of the Central Cotton Committee that legislation for introducing the Berar market system into the Bombay and Madras Presidencies is already under consideration by the respective Governments.

We would like to suggest that this system be also introduced into the Punjab and United Provinces, the former more especially and we attach herewith a list giving the names of stations in both Provinces, which we consider hold good chances of success being achieved, if properly organised and controlled.

The Punjab, we consider more important because of the practice of mixing which goes on and which has done so much harm to the name of Punjab American Seed cotton amongst our foreign buyers; classification and grading of qualities is a work that is badly needed and propaganda to persuade the ryots to attach more importance to the picking of kappas would assist merchants a great deal in attracting Manchester spinners as buyers of this cotton.

In the United Provinces much useful work could be done on the lines laid down in the Central Cotton Committee's letter and the chances of the success being attendant to the scheme, we consider, are fairly well assured, if started on a sound basis and only those qualified for the work are placed at the head.

We regret we are unable to supply the figures of the crop for all the stations, but those in our possession are given and can be taken as being fairly accurate.

List of Stations in the Punjab and United Provinces, where we consider the Berar Market System could be introduced with good chances of success.

Punjab Stations.

Crop Figures Season 1922-23.

			<i>B/s.</i>	<i>B/s.</i>
Lyallpur	..	.. Estimated	19,000 American	12,200 Desi.
Chakjumra	..	.. "	12,100	3,000 "
Jarranwalla	..	.. "	15,000	1,700 "
Tandlianwalla	..	.. "	9,000	3,000 "
Okara	..	.. "	22,600	4,900 "
Sargodha	..	.. "	13,670	7,125 "
Chichawatni	..	.. "	12,200	4,300 "
Amritsar	..	..		
Montgomery	..	..		
Multan	..	..		
Sialkot	..	..		
Pattoki	..	..		

United Provinces.

Etawah	..	.. Estimated	9,000 Bales.
Khurja	..	.. "	18,000 "
Hathras	..	.. "	.. "
Aligarh	..	.. "	7,500 Bales.
Chandausi	..	.. "	5,000 "
Muttra	..	.. "	10,000 "
Saharanpur	..	.. "	8,000 "
Ambala	..	.. "	.. "

United Provinces—contd.

<i>" District :</i>	<i>Name of Place :</i>
<i>N. Gujrat.</i>	Viramgam.
<i>Middle Gujrat.</i>	Broach.
<i>Punjab.</i>	Lyallpur.
<i>United Provinces.</i>	Aligarh.
<i>Sindh.</i>	Taunja-Adam.
<i>Rajputana.</i>	Beawar.
<i>Central India.</i>	Khandwa.
<i>Madras Presidency.</i>	Tirupur.
<i>Nizam.</i>	(1) Jalna.
	(2) Raichur."

"With reference to your letter No. 1420/171, dated the 15th June, the Districts that appear to us at present to offer the best chance of success in attempting to establish open Cotton Markets on the Berar system are :—

Khandeish,
Punjab,
Sind,
United Provinces,
and Hubli/Dharwar."

"I beg to inform you that in my opinion it would be greatly to the advantage of the Cultivators and also to the Trade in general if open Cotton Markets on the Berar System were established at the following places in the Bombay Presidency.

<i>In Gujarat.</i>	<i>In Khandeish.</i>
Broach.	Dhulia.
Palej.	, Amalner.
Ankleshwar.	Dhonda-cha.
Surat.	Julgaon.
	Pachora."

"We beg to say that we are in full agreement with the views set forth by the Bombay Mill-owners' Association in their representation to the Bombay Government, strongly deprecating any legislative enactment as contemplated by the Government. However, as your Chamber

has already signified their approval of the proposed Bill, we enclose herewith a list of the centres in the Bombay Presidency which we think are suitable for opening Cotton Markets.

SUGGESTED CENTRES IN THE BOMBAY PRESIDENCY FOR OPENING
COTTON MARKETS.

<i>Khandeish:</i>	<i>Cutch:</i>
Dhulia	Anjar
Jalgaon	
Amalner	<i>Sind:</i>
Bhusawal	
	Karrachee
<i>Gujarat:</i>	Mirpurkhas
	Tundo
Navsari	Hyderabad
Surat	
Broach	<i>Nagar-Barsi:</i>
Ahmedabad	
Viramgam	Ahmednagar.
	Barsi Town
<i>Kathiawad:</i>	Bijapur
	Bhagalkot
Wadhwan	
Rajkot	<i>Dharwar:</i>
Dhoraji	
<i>Porebunder:</i>	Miraj
Amreli	Hubli
Mahuva	Gadag
Bhawnagar.	Ranibennur."

APPENDIX S-3.

PROTECTED AREAS UNDER THE COTTON
TRANSPORT ACT, 1923.

No. A-535 of the 17th February 1923.

**From the Government of Bombay (Revenue Department),
to the Chamber.**

I am directed to state that the Government of Bombay (Transferred Departments), desire to discuss the question of

the areas to be protected under the Cotton Transport Bill and the rules to be issued thereunder with local gentlemen representing the cultivators, owners of gins and presses and cotton merchants of the districts concerned, and it has been arranged to call a meeting of the Gujarat representatives on 16th March 1923 and of the Southern Division men on the 17th idem. I am to request that you will be good enough to send to the meeting one representative of your Chamber at 2 p.m. on the days mentioned above at the Secretariat.

No. 588-113 of the 5th March 1923.

**From the Chamber, to the Government of Bombay
(Revenue Department).**

I have the honour to acknowledge the receipt of your letter No. A-535, dated the 17th February 1923, in which you request this Chamber to appoint a representative to attend the discussions of the areas to be protected under the Cotton Transport Bill and the rules to be issued thereunder, which are to take place at the Secretariat at 2 p.m. on the 16th and 17th instant.

In reply I am to inform you that Mr. V. A. Grantham of Messrs. Forbes, Forbes, Campbell & Co., Ltd., will represent the Chamber in the above connection.

APPENDIX S-4.

**PROPOSED LEGISLATION REGARDING THE
LICENSING OF GINS AND PRESSES.**

No. G-103 of the 22nd December 1922.

**From the Government of Bombay (Revenue Department)
to the Chamber.**

*Proposed legislation regarding the licensing of
Gins and Presses.*

I am directed by the Governor in Council to forward a copy of Government Resolution, Revenue Department, No.

103-G, dated 14th November 1922, and to request that this Government may be favoured with the views of your Chamber on the subject mentioned herein.

GOVERNMENT OF BOMBAY.

REVENUE DEPARTMENT.

Resolution No. 103-G.

Dated the 14th November, 1922.

Letter from the Government of India, Department of Commerce, No. 5154, dated 6th October 1922 :—

“With reference to the correspondence ending with your letter No. G.103, dated the 15th September 1920, I am directed to address you on the subject of the recommendations contained in paragraphs 223 to 229 of the Indian Cotton Committee's Report. On receipt of replies to this Department letter No. 1718-D, dated the 28th February 1920, the Government of India asked for the views of the Indian Central Cotton Committee on these recommendations and received in reply Mr. Burt's letter No. 570*, dated the 1st August 1921, of which a copy is enclosed.

“2. In paragraph 219 of their Report, the Indian Cotton Committee drew attention to malpractices deliberately employed at gins and presses and also to abuses which arose from faulty conditions at the factories. In paragraphs 223 to 229 they recommended legislation designed to check these faults and to encourage the marketing of clean and unmixed cotton. It was suggested that legislation should be passed by the Central Government requiring all ginning and pressing factories to take out licenses; that the licensing authority in each province should be the local Government acting in consultation with the Central and Provincial Cotton Committees; and that the desired reforms should be introduced as conditions under which licenses would be granted.

“3. In consulting the Central Cotton Committee, the Government of India invited the Committee's attention to the fact that commercial opinion in India was not unanimously in favour of the adoption of a licensing system; and they asked to be furnished with the considered opinion of the Committee whether the proposal to introduce such a system should be further pursued. The Committee was also asked to advise on the general form which legislation should take and on the desirability of adopting with or without alteration the conditions

* Printed as an accompaniment to this Resolution.

suggested in paragraph 225 of the Indian Cotton Committee's Report. A copy* of the Government of India's letter is enclosed.

" 4. It will be seen from the reply*, also enclosed, that the Central Cotton Committee are not in favour of the adoption of a licensing system. In coming to this decision, the Committee were not unanimous but considered on the whole that an all-India Act prescribing a licensing system would not be the best way of dealing with the admitted abuses, although, at the same time, local Governments might be enabled to introduce a licensing system to carry out certain of the prescribed conditions if they so desired.

" 5. The Committee carefully examined the detailed conditions suggested in paragraph 225 of the Indian Cotton Committee's Report and came to the conclusion that the submission of statistical returns, the marking of bales and the maintenance of a record of ownership of bales were of primary importance and should be enforced by all-India legislation, and that it should be open to local Governments to frame rules to introduce such of the other reforms as they consider necessary. They suggest that these rule-making powers should be conferred by sections of the all-India Act and should be wide enough to admit of the adoption of a licensing system should this system appear to the local Governments concerned to be the most effective way of securing the desired reforms.

" 6. The Government of India have given their careful attention to those recommendations read in the light of the proceedings which form an enclosure to Mr. Burt's letter. They are inclined to agree with the Committee that it is impracticable to proceed with the proposal for central legislation definitely introducing a system of licensing gins and presses. And since the Indian Cotton Committee proposed that the recommendations detailed in paragraph 225 of its Report should be enforced by means of conditions in the licenses, this decision has an important bearing on the whole case. At the same time much weight must be attached to the unanimous recommendation of the Central Cotton Committee that legislation should be introduced in the Central Legislature to deal with the adequate marking of bales, the compulsory maintenance of the necessary records in press-houses and the compulsory submission of statistical returns; and, if such legislation is decided on, the Government of India are at present of the opinion that it should be undertaken in the Central Legislature under the authority of section 67 (2)(i) of the Government of India Act.

" 7. In addition to the above three reforms, the Committee at a subsequent meeting recommended, in regard of ownership, that the Committee should be empowered to call for declarations of ownership in cases where specific complaint had been received of the quality of a particular consignment. They also pointed out that the maintenance of such records was necessary in the interests of the press-house owner,

* Printed as an accompaniment to this Resolution.

to whom otherwise the responsibility for the quality of the cotton baled at his factory would attach.

" 8. These recommendations correspond to those contained in (f) and (i) of paragraph 225 of the Indian Cotton Committee's Report. The Government of India are prepared to admit that it is desirable, in the interests of the trade, that cotton bales issued from all press-houses should bear the name or trade mark of the press-house and the station of origin together with the serial number of the bale, in an annual series, as it leaves the press-house; and I am to ask whether your Government considers that legislation should be undertaken with this end in view. It is perhaps more doubtful whether it is practicable to insist on the maintenance of records of ownership. The number of pressing factories in India is very large and it does not seem possible to insist effectually that such records should be maintained in each. Inspection, with a view to securing compliance, would be regarded as inquisitorial and moreover it might be difficult to arrange for such inspection except at a cost possibly disproportionate to the advantages to be gained by the trade. At the same time, as the Central Cotton Committee have supported this suggestion, the Government of India are willing to reconsider their attitude if local Governments press for the adoption of this measure.

" 9. There are obvious advantages in the proposal that the compulsory submission of statistical returns by all cotton presses should be insisted on. These returns might take the form of a monthly or possibly fortnightly statement to be submitted by each press-house owner through the Director of Agriculture of the Province concerned to the Director of Statistics; the statement to show the serial number of the last bale issued each month (or fortnight) from the press-house. This would enable the Director of Statistics to compile and publish a periodical statement of bales pressed and issued, with a running total for the season, either by areas or by provinces. The statistics thus prepared would be valuable not merely as recording progress with the baling of the crop but also as a check on the accuracy of cotton forecasts. But the principle of compulsion in the submission of statistical returns is new to India and the Government of India would be glad to know whether the proposal of the Central Cotton Committee is supported by your Government.

" 10. It is unnecessary to refer in detail to the other recommendations of the Indian Cotton Committee in paragraph 225 of its Report. All these recommendations were considered in turn by the Central Cotton Committee, and their concrete proposals were:—

- (1) that in all new ginning factories, it should be provided, if necessary by legislation, that separate exits and entrances should be made and certain other minimum requirements supplied;
- (2) that press-houses, where cotton is handled on the ground floor, should be paved; and

- (3) that only certified standard weights prescribed for the tract should be used and that correct scales should be used.

If legislation is undertaken in the Central Legislature, it might be possible to leave it to local Governments to deal with matters of this kind by rules but legislation of this nature is novel in character and though it might be provided that the rules in question should be made only with the previous approval of the local Legislative Council, the Government of India will await advice before definitely committing themselves to the proposals.

"11. I am now to ask that the Government of India may be furnished with the views of your Government on the questions raised in this letter. The points on which advice is sought are summarised below :—

- (1) Does your Government agree that the idea of all-India legislation for the licensing of gins and presses should be abandoned ?
- (2) If so, should the Government of India proceed to introduce a Bill to provide—
 - (a) for the adequate marking of bales to enable ownership to be established,
 - (b) for the compulsory maintenance of such records in the presses as are necessary for the above purpose, and
 - (c) for the compulsory submission of statistical returns by pressing factories ? "
- (3) If so, should the Bill contain enabling clauses empowering a local Government—
 - (a) to introduce a system of licensing gins and presses if it is satisfied that such a measure is necessary, and
 - (b) to frame rules dealing with the matters referred to in paragraph 10 of this letter ?

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the Commissioner in Sind, the Commissioners of Divisions, the Director of Agriculture, the Director of Industries, the Registrar of Co-operative Societies and the Collector of Bombay, for favour of their opinion on the questions raised in the letter. The Commissioners should be requested to consult such Collectors in their respective charges as they consider necessary.

2. Copies of the letter should also be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, the Bombay Millowners' Association, the Bombay Presidency Trades' Association, the East India Cotton Association, the Ahmedabad Millowners' Association and the Bombay Muccadams, Association for favour of their opinion on the questions raised in it.

Accompaniments to Government Resolution, Revenue Department, No. 103-G., dated the 14th November 1922.

No. 3619 of the 16th May 1921.

**From the Government of India (Department of
Commerce) Simla, to Central Cotton
Committee, Bombay.**

I am directed to invite the attention of the Central Cotton Committee to paragraphs 219 and 223—231 of the Indian Cotton Committee's Report and to Recommendations Nos. (12) to (17) in the Summary of Recommendations at the end of Chapter XVI of that Report. I am directed also to forward, for the information of the Committee, copies of this Department's Circular letter No. 1718-D., dated the 28th February 1920 and of the replies which have been received from Local Governments and Administrations.

2. It will be seen that the Government of India accepted generally the conclusions of the Indian Cotton Committee in regard to the important question of licensing gins and presses and that they expressed themselves willing, subject to any observations which the letter referred to above might elicit, to introduce in the Imperial Legislature the legislation necessary to give effect to those conclusions. Subject to some modifications on points of detail Local Governments and Administrations have accepted the proposals of the Indian Cotton Committee, but before legislation is introduced, I am to request that the Government of India may be furnished with the advice of the Central Cotton Committee on the whole question.

3. In paragraph 21 of this Report, the Indian Cotton Committee deal with the malpractices which are carried on in ginning and pressing factories. Some of these malpractices are deliberate, others are due to faulty conditions. Among the former may be mentioned the watering of cotton, the mixing of cotton and the adjustment of ginning machinery in such a way as to allow cut or crushed seed to pass into the ginned cotton. As regards abuses arising out of faulty conditions the Committee comment on the facts that few ginneries have separate entrances and exits for *kapas* and lint, respectively, that the platforms behind the gins on which the *kapas* is stored are usually too narrow, that the compounds of ginning and pressing factories are not usually paved and that godown accommodation is frequently insufficient. They record their opinion that the reforms which they consider essential cannot be introduced unless control is taken of ginning and pressing factories and they recommend that all ginning and pressing factories should be required to take out licenses. They suggest that the authority which should issue and withdraw licenses should be the Local Government acting in consultation with the

Central and provincial Cotton Committees, and in paragraphs 224—229 they explain their proposals in some detail.

4. I am first to ask that the Central Cotton Committee will be good enough to inform the Government of India whether they accept the fundamental proposition on which the proposed system of licensing rests, namely, the view of the Indian Cotton Committee that the malpractices which go on in ginning and pressing factories are so serious that, the trade itself being powerless to deal with them, Government must intervene by way of control. It will be noticed that the system of control proposed, besides entailing very considerable degree of interference with ginning and pressing factories, involves a departure from the policy which the Government of India have hitherto followed in regard to the adulteration of produce. In this connection I am to invite attention to the Government of India's letter No. 9164, dated 8th August 1917, of which a copy is enclosed for reference. It is true that the Government of India have already agreed, provisionally, to the licensing system proposed by the Indian Cotton Committee, but it appears from the replies of Local Governments that commercial opinion is not unanimously in favour of this system. Reference may be made, for instance, to the correspondence enclosed with the letter of the Government of Madras No. 1824, dated the 16th October 1920. In the circumstances, since the Indian cotton trade is strongly represented in your Committee, the Government of India think that it would be useful if you would furnish them with the considered opinion of the Committee whether the proposal to introduce a system of licensing of ginning and pressing factories should be further pursued.

5. I am also to ask that your Committee, on the assumption that a licensing system will be introduced, will advise the Government of India on certain subsidiary points of detail. One of the main recommendations of the Indian Cotton Committee is that all ginning and pressing factories, whatever the number of hands employed, should be brought under the operation of the Indian Factories Act. The Indian Factories Act is now under amendment, and if the Bill which was introduced last session is passed, the Act as amended will contain no special provision for ginning and pressing factories. Under the Bill as it stands, the provisions of the Factory Act will ordinarily apply to premises where not less than twenty persons are simultaneously employed in any one day in the year, but power is given to Local Governments to reduce this number in respect of particular factories or classes of factories by notification in the Gazette to ten persons. It is hoped that this Bill (a copy of which is enclosed for reference) will be passed into law at the session in August and September next. It will not be possible, therefore, to give effect to this recommendation of the Indian Cotton Committee in this Bill for the amendment of the Indian Factories Act. Nor do the Government of India think that this would be the right course to follow. The Indian Cotton Committee proposed that all ginning and pressing factories, irrespective of the number of hands employed, should be brought under the operation

of the Factories Act, not so much for the purpose of securing the object which that Act has in view as for the purpose of securing regular inspection of ginning and pressing factories in order that certain abuses connected with the cotton trade might be brought under control. It is, therefore, proper, in the opinion of the Government of India, that if the proposal of the Indian Cotton Committee is approved, it should be given effect to in the special legislation which will be necessary in order to give effect to the proposal that all ginning and pressing factories should be licensed. The two proposals of course stand or fall together, but even if it be decided to introduce a licensing system, the Government of India foresee practical difficulties of a serious nature in the way of accepting the further proposal that all ginning and pressing factories should be brought under the operation of the Factories Act. The essential condition is that the factory inspection staffs in the different provinces should be adequately strengthened. It would appear from the replies which have been received that Local Governments are willing to make the necessary addition to their staffs in order to enable them to cope with the extra work involved in the inspection of all ginning and pressing factories. But it is probable that when these replies were written, Local Governments did not realise that they would shortly be called upon to make considerable increases in their inspection staffs by reason of a general revision of the Indian Factories Act. In the majority of provinces the factory inspection staffs are now proving insufficient for the proper administration of the existing Factories Act. The Act as amended will tax the resources of Local Governments still more, and for some time after the Act has been passed, they will find it difficult to get a sufficient number of qualified men properly to administer the Act. The inclusion of all ginning and pressing factories would mean a considerable further burden. Many of these factories are situated in rural areas, and the inspection of two or three of them with perhaps 20 employees in all might probably take more time than the inspection of three large factories in a big industrial centre. In the circumstances, it seems probable that Local Governments will be compelled to re-consider the matter. In the meantime the Government of India would be grateful for the views of the Committee whether it is necessary that all ginning and pressing factories should be brought under the Factories Act, or whether the requirements of the case would be met if Local Governments exercised in respect of such factories the discretion which it is proposed to vest in them by the amendment proposed in clause 2 (3) (d) of the Bill now before the Legislative Assembly.

6. I am next to ask that the actual conditions proposed for inclusion in the licenses in paragraph 225 of the Report may be carefully scrutinised. Condition (m) has been generally criticised as unnecessary except in the Punjab and some of the other conditions suggested by the Indian Cotton Committee have also been objected to on various grounds. The Tuticorin Chamber of Commerce, for instance, which is particularly interested in ginning factories, objects to condition (a) on the ground that the best lay-out of a ginning factory must always be a matter of opinion, that it would be an

unwarranted interference with private initiative to stereotype a standard plan which must be adhered to. The Government of India consider that these conditions should be carefully scrutinised and that only those conditions should be inserted which are absolutely essential in order to secure the ends in view. It is an important question for consideration whether the conditions to be interested in a license should be uniform for all India and Burma or whether they should be modified from province to province or even for different tracts within the same province in order to suit local conditions.

7. Connected with this last question is the question, what form the necessary legislation should take. The Legislature can hardly be expected to agree to Local Governments being left to license ginning and pressing factories on such terms or in accordance with such rules as they think fit, and it is quite possible that the Legislative Assembly and the Council of State will desire to know, and to have the opportunity of considering, the exact conditions which it is proposed to include in the licences in the different provinces and in different parts of the same province. One possible course therefore would be for the Central Committee first to draw up model conditions for insertion in the licenses and then to settle in consultation with the Local Governments and the Provincial Committees, what modifications would be necessary in the model conditions in order to make them suitable for application to the different provinces. The conditions as finally settled for each province or part of a province would then be incorporated in the Bill as Schedules to the Bill and so would come before the Legislature. The objection to this course is that every alteration in the Schedules would require legislation, and the procedure suggested would not be sufficiently elastic. It is possible that the difficulty could be overcome by including in the Schedule to the Bill the model conditions which it is hoped the Central Cotton Committee will draw up. Some of these [as for instance (e), (i) and (j) in paragraph 225 of the Indian Cotton Committee's report] would be uniform for all India. Others would leave considerable latitude to the licensing authorities in each province, and as a further safeguard it might be provided that conditions other than those which should be uniform for all India should require the approval of the local Legislature before being included in the standard form of license for any particular province.

8 The arrangements for licensing will also require careful consideration. One course would be to leave the licensing in the provinces to the Local Governments acting in concert, either with the provincial or local committees to be constituted under paragraph 7 of the Government of India's Resolution No. 404-22, dated the 31st March 1921, or with your Committee, and to provide for an appeal to the Governor-General in Council. An alternative would be to leave the actual licensing either to the provincial or local committees referred to above or to a committee specially constituted for the purpose and to provide for an appeal to the Central Cotton Committee. The Government

of India would prefer the latter course. They assume that the provincial and local committees will be composed mainly of non-officials and that the cotton trade in general and the ginning and pressing interests in particular will be strongly represented on them, and on general grounds they see considerable advantages in entrusting the control of ginning and pressing factories to the trade itself through the medium of such committees. If possible, they would prefer not to interfere themselves more than is absolutely necessary.

9. It will be understood that the above suggestions have been made merely as a basis for discussion, and I am now to ask that the Government of India may be furnished with the considered views of the Central Cotton Committee on the whole question.

No. 570 of the 1st August 1921.

From the Indian Central Cotton Committee to the Government of India (Commerce Department), Simla.

With reference to your letter No. 3619 of the 16th of May 1921, I am directed by the Central Cotton Committee to forward a copy of their proceedings.

It was clear from the preliminary discussion that the Indian Cotton Committee's proposals for the licensing of presses were by no means generally accepted. Several trade members of the Committee, though disagreeing with certain of the conditions which the Indian Cotton Committee proposed should be included in the licenses, were, nevertheless, strongly in favour of a system of licensing as a definite proposal towards dealing with serious abuses. Many of them, however, felt that there were objections to a system of control which would enable the licensing authority to withdraw a license peremptorily and thus not only severely punish ginner or baler but possibly several merchants by whom he was employed and whose outstanding contracts might be interfered with. Other non-official members went further than this and considered that a system of licensing in the form proposed by the Indian Cotton Committee would be unworkable on account of the opposition which it would arouse amongst factory owners.

There was also a strong feeling that conditions have materially altered with the introduction of the Reforms Scheme and that a drastic all-India Act was not the best way of dealing with the abuses concerned. A sub-committee was, therefore, appointed and directed to examine the detailed proposals of the Indian Cotton Committee with a view to ascertaining how far the Committee were in agreement as to the general principles involved and on the restrictions which it was necessary to impose.

Proceeding from this to a consideration of the machinery necessary to carry out their recommendations, the Central Cotton Committee are unanimous that there are three essential conditions to improvement;

- (1) the adequate marking of bales to enable the ownership of bales to be established,
- (2) the compulsory maintenance of such records in the presses as are necessary for the above purpose, and
- (3) compulsory statistical returns from cotton pressing factories.

My Committee consider that uniformity in these three essential matters is necessary, and for this reason have recommended that provision for these should be made by an all-India Act, but that the other reforms which they recommend are largely matters of provincial importance and that, so far as these are concerned, the all-India Act should give power to Local Governments to frame rules. It will be observed that my Committee have not negatived the proposed scheme of licensing but leave it open to any Local Government to introduce this system if they consider it the best method of securing the proper working of gins and presses. I am to add that the Central Cotton Committee consider that restriction of transport on kapas, cotton and waste is far more important as a means of checking adulteration than the control of gins and presses.

With reference to paragraph 5 of your letter you will observe that the Central Cotton Committee consider that the provisions of the new Factories Bill are sufficient and that it is not necessary to insist that all ginning and pressing factories, whatever the number of hands employed, should be brought under the Indian Factories Act. Should the present Bill be materially altered, my Committee would desire to have an opportunity of reconsidering the matter. In this connection I am also to say that the Central Cotton Committee consider that provision for the adequate lighting of ginning and pressing factories which work at night should be provided for by the Factory Act and should not be dealt with by special legislation for the control of gins and presses.

INDIAN CENTRAL COTTON COMMITTEE.

Proceedings, July 21st, 1921.

Subject.—I.—Proposal of the Indian Cotton Committee for the control of Gins and Presses.

The report of Sub-Committee A was read and discussed.

Resolved.—

1. With reference to paragraph 225 of the Indian Cotton Committee's report the Central Cotton Committee agree that :

- (1) *The proper marking of bales at presses is essential.*

(2) *The maintenance of press records which would enable the owner ship of every bale to be established should be compulsory.*

(3) *Statistical returns should be compulsory.*

II. The Central Committee then considered the sub-committee's report on paragraph 225 (a) to (m) of the report of the Indian Cotton Committee.

Resolved that the Central Cotton Committee are not in favour of prescribing standard plans for New Ginning Factories but that steps should be taken, if necessary by legislation, to ensure that in all new Ginning Factories separate exits and entrances should be provided and certain other minor requirements provided for, but that otherwise the lay-out of the factory should be left to the owner. They consider that plans should be submitted for approval to Provincial Cotton Committees and for Provincial Agricultural Departments.

III. The Central Cotton Committee were opposed to the proposal in paragraph 225 (b) of the Indian Cotton Committee's report and considered that the proposal in paragraph 225 (c) could not be insisted on in practice.

IV. *Indian Cotton Committee's report, paragraph 225 (d).—The Central Cotton Committee recommend that this should be amended to read as follows :—*

“In press-houses where cotton is handled on the ground floor this floor should be paved.”

Indian Cotton Committee's report, paragraph 225 (e).—The Central Cotton Committee consider that this would be difficult to enforce.

Paragraph 225 (f).—Dealt with in I (3) above.

Paragraph 225 (g).—Resolved “With reference to paragraph 5 of Mr. Inne's letter, the Indian Central Cotton Committee observed that the new Factories Bill does not contain any clause corresponding to clause 27 in Act XII of 1911 exempting Cotton Ginning factories from certain provisions of the Factories Act. If the bill be passed as drafted all Ginning factories employing over 20 persons will automatically come under the Act and Local Governments will have power to bring Factories employing over 10 persons under the Act. In the opinion of the Central Cotton Committee this is sufficient but it desires to have an opportunity of reconsidering the question should the Factory Bill be materially altered.

Paragraph 225 (h).—The Central Cotton Committee endorse this recommendation.

Paragraph 225 (i).—The Central Cotton Committee consider that this recommendation should be amended to read :—

“The owner of a ginning factory should undertake to keep a complete daily record of all the cotton *or kapis* ginned in his factory showing in detail the name of the person for whom it was ginned. In the case of a pressing factory the daily record should show the quantity of cotton pressed, the name of the person for whom it was pressed, and the number of bales pressed daily and where necessary for statistical purposes the weight of each bale. The owner of a pressing factory should mark each bale with the number assigned to the factory and with a running serial number for the season to ensure that the identity of the original owner of the bale may be known.”

System of marking bales.—The Central Cotton Committee consider that bales should be clearly marked on the flat side of the bale with the number of the factory and the running serial number.

Paragraph 225 (j).—This was not considered necessary by the Central Cotton Committee but is unobjectionable provided that the words “members of the Central Cotton Committee or of Provincial or Local Committees” are omitted.

Paragraph 225 (k).—The Central Cotton Committee consider this recommendation unnecessary as measures to control seed to deal with insect pests should be taken under a Pests Act.

Paragraph 225 (l).—The Central Cotton Committee consider that this should be provided for in the Factories Act.

Paragraph 225 (m).—The Central Cotton Committee consider the proposal to be unworkable.

Machinery for carrying out the above recommendations.

It was considered that it was essential that rules for the marking of bales, maintenance of records and submission of statistical returns should be uniformly enforced throughout India. The Sub-Committee's recommendation was therefore amended to read as follows :—

“The Central Cotton Committee consider that an all-India Act should be passed by the Central Legislature empowering Local Governments to frame rules with a view to giving effect to all or any of the above recommendations. The principal Act should enforce the marking of bales and the maintenance of proper press records and the furnishing of statistical returns.”

The report of the sub-committee as amended was unanimously accepted.

INDIAN CENTRAL COTTON COMMITTEE.

Report of Sub-Committee A.—20th July 1921.

CHAIRMAN :

MR. H.A.F. LINDSAY.

MEMBERS.

- *1. Mr. V. A. Grantham (Bombay Chamber of Commerce).
- 2. Mr. Mathuradas Vassanji (Indian Merchants' Chamber and Bureau).
- *3. Mr. C. W. DuBreul (Cotton Contracts Board).
- 4. Seth Mangaldas Girdhardas Sahib (Ahmedabad Millowners' Association).
- 5. Mr. H. P. M. Rae (Madras Commercial representative).
- 6. Mr. N. A. Dravid, M.L.C. (Berar Cotton Ginners and Merchants).
- 7. Mr. F. S. Travers (Karachi Chamber of Commerce).
- 8. Mr. Manilal Nanavati (Director of Commerce and Industries, Baroda).
- *9. Dr. H. H. Mann (Director of Agriculture, Bombay).
- 10. Mr. Mazhar Husain (Director of Agriculture, Hyderabad).
- 11. Honourable Mr. Lalubhai Samaldas.
- *12. Mr. C. A. H. Townsend (Director of Agriculture, Punjab).
- *13. Dr A. E. Parr (Deputy Director of Agriculture, Aligarh).
- 14. Mr. B. C. Burt (Secretary).

Read Indian Cotton Committee's report, paragraphs 219 and 223 to 231.

Subject I.—Licensing of Gins and Presses.

The sub-committee first considered the different conditions proposed by the Indian Cotton Committee for gin licenses as an indication of the improvements which it was desired to introduce with a view to come to a conclusion with regard to general principles before discussing the machinery required.

{1} With reference to paragraph 225 of the Indian Cotton Committee's report, section (i) the sub-committee agreed that the proper marking of bale at the press is essential.

(2) Press records should be maintained which would enable the ownership of every bale to be established (carried by majority, two members opposing).

(3) Statistical returns [paragraph 225 (f)] should be compulsory.

Paragraph 225 (a).—The sub-committee were not in favour of standard plans for new presses. Mr. Townsend stated that the Punjab Government, when giving facilities for factory sites in the new canal colonies, insisted on the plans being approved by the Department of Agriculture on conditions broadly similar to those recommended by the Indian Cotton Committee.

The sub-committee considered that steps should be taken to ensure if necessary, by legislation, that in all new ginning factories separate exits and entrances should be provided and certain other minimum requirements provided for but that otherwise the lay-out of the factory should be left to the owner. They considered that plans should be submitted for approval to provincial cotton committees and/or provincial agricultural departments (carried by majority, two members opposing).

Paragraph 225 (b).—The sub-committee were unanimously opposed to this.

Paragraph 225 (c).—The sub-committee considered it impossible to insist on this in practice.

Paragraph 225 (d).—The sub-committee recommended that all press-houses should be paved. The sub-committee remarked that this is the common practice and considered that it should be insisted on both for new and existing presses.

Paragraph 225 (e).—The sub-committee considered that this would be difficult to enforce.

Paragraph 225 (g).—The sub-committee proposed the following draft Resolution for consideration of the committee :—

“ With reference to paragraph 5 of Mr. Innes’ letter the Indian Central Cotton Committee observe that the proposed new Factories Act does not contain any clause corresponding to clause 27 in Act XII of 1911 exempting Cotton Ginning Factories from certain provisions of the Factory Act. If the Act be passed as drafted all ginning factories employing over 20 persons will automatically come under the Act and Local Governments will have power to bring factories employing over 10 persons under the Act. In the opinion of the Central Cotton Committee this is sufficient but it desires to have an opportunity of reconsidering the question should the draft Factory Act be materially altered.”

Paragraph 225 (h).—The sub-committee accepted this recommendation.

Paragraph 225 (i).—This recommendation was accepted by the sub-committee as amended below :—

“The owner of a ginning factory should undertake to keep a complete daily record of all the cotton ginned in his factory showing in detail the name of the merchant for whom it was ginned and the quantity of cotton ginned daily. In the case of a pressing factory, the daily record should show the name of the person for whom it was pressed, the weight of each bale and the number of bales pressed daily. The owner of a pressing factory should undertake to mark bales with the number assigned to the factory.”

System of Marking Bales.—The sub-committee considered that bales should be clearly marked on the flat side of the bale with the serial number of the factory as recommended by the Indian Cotton Committee.

Paragraph 225 (j).—The sub-committee did not consider this necessary but they did not object to it provided that members of the Central Cotton Committee or of the Provincial or Local Committee were omitted.

Paragraph 225 (k).—This condition was considered unnecessary as measures to control seed to deal with insect pests should be taken under a Pests Act.

Paragraph 225 (l).—*Lighting of factories.*—The sub-committee considered that this should be provided for in the Factory Act.

Paragraph 225 (m).—The sub-committee considered this proposal unworkable.

As regards the machinery proposed to carry out these improvements, the sub-committee considered that an all-India Act should be passed by the Central Legislature empowering Local Governments to frame rules with a view to giving effect to all or any of the above recommendations. This was accepted unanimously. Messrs. Grantham and DuBreul (who were temporarily absent on another sub-committee) pointed out, however, that the all-India Act should contain provisions for the marking of the bales and the maintenance of records and returns otherwise statistical information would be incomplete as in the past. The marking of bales is the most important of these proposals and to be effective must be universal.

No. 175-62 of the 23rd January 1923.

**From the Chamber to the Government of Bombay
(Revenue Department).**

I have the honour to acknowledge the receipt of your letter, No. G-103, dated the 22nd December 1922, and in reply to subjoin my Committee's answers to the questions raised in

paragraph No.11 of the letter, No. 5154, dated the 6th October 1922, from the Secretary to the Government of India, Department of Commerce, which accompanied your letter under reply.

Question. 1.

After having very carefully considered various opinions on this subject, including those expressed in the accompaniment to your letter, my Committee endorse the views of the Government of India and the Central Cotton Committee and are of the opinion that the idea of all-India legislation for the licensing of gins and presses should be abandoned, at least for the present.

Question 2 (a) & (b).

My Committee think that the marking of bales in order to establish ownership will not serve any useful purpose unless provision is also made for the enforcement of penalties for malpractices at the time of pressing.

In this connection I am to state that my Committee agree with the following opinion expressed by the Secretary to the Government of India, Department of Commerce (*vide* para. 8 of his letter above mentioned) :—

“It is perhaps more doubtful whether it is practicable to insist on the maintenance of records of ownership. The number of pressing factories in India is very large and it does not seem possible to insist effectually that such records should be maintained in each. Inspection, with a view to securing compliance would be regarded as inquisitorial and moreover it might be difficult to arrange for such inspections except at a cost possibly disproportionate to the advantages to be gained by the trade.”

and I am to add that my Committee are of the opinion that a remedy for such malpractices as false packing, damp pressing, etc., is contained in the rules of the East India Cotton Association and the general custom of the trade whereby the buyer has the right to reject tenders that have been subjected to such treatment; and still further in the rules of the East India Cotton Association regarding forward contracts which even provide penalties for such malpractices.

Question 2 (c).

My Committee consider that the compulsory return of statistics by press factories would be of great use and they are of opinion that it would be desirable to obtain the same information from Native States.

Question 3 (a).

In my Committee's opinion it is unnecessary to introduce any system of licensing gins and presses by the local Governments.

Question 3 (b).

My Committee consider that it is unnecessary to introduce any rules dealing with the three points mentioned in paragraphs 10 of the above cited letter from the Secretary to the Government of India. In view of the abovementioned rights of rejection by traders, it appears to my Committee that the best method of coping with the malpractices considered in this connection is for the buyer to take the usual precautions to ensure that the cotton tendered is a fair tender and when not a fair tender to follow the usual methods of obtaining redress. Also, since the ways of adulteration are so numerous and so ingenious my Committee believe that it would be almost impossible to draw up any practical regulations that would prevent these practices.

No. 1017 of the 26th March 1923.

**From the Indian Central Cotton Committee, to the
Chamber.**

I have the honour to request you to supply my Committee with a copy of the Bombay Chamber of Commerce reply to the reference from Government on the subject of Legislation for the regulation of cotton gins and presses, a summary of which is published in "Commerce" of March 24th.

No. 803-62 of the 28th March 1923.

**From the Chamber to the Indian Central
Cotton Committee.**

I have the honour to acknowledge the receipt of your letter No. 1017, dated the 26th of March 1923, and have pleasure in forwarding herewith a copy of my Committee's reply No. 175-62, dated 23rd January 1923, to the Government of Bombay regarding the proposed legislation for the Licensing of Gins and Presses.

No. 1121 of the 7th April 1923.

**From the Indian Central Cotton Committee, to the
Chamber.**

I have the honour to acknowledge receipt of your letter No. 803-62, dated the 28th March 1923, forwarding copy of your Chamber's reply to the Government of Bombay with reference to the Government of India's letter No. 5154 of the 6th October 1922 with reference to the regulation of gins and presses.

I am somewhat doubtful as to the exact meaning of your Chamber's answer to question 2 (a). The question of the compulsory marking of bales was examined at two meetings of the Central Cotton Committee and one meeting of their Local Sub-Committee and throughout the discussion the general opinion of the Bombay Cotton Trade was that this was an essential condition to the reduction of the economic loss caused by mixing and that it would put the trade in a position to protect itself to a considerable extent. These views were held by your Chamber's representative on the Central Cotton Committee who concurred with my Committee's recommendation. Your representative on my Local Sub-Committee which met in April 1922 agreed not only with the compulsory marking of bales but with the recommendation for compulsory maintenance of records of ownership and powers to call for a declaration of ownership.

It seems to me that your letter No. 803-62 may be taken to mean that your Chamber now attaches no importance whatever

to the marking of bales to establish ownership. If this is so I should like to be able to place before my Committee the reasons which have led your Chamber to withdraw from the position taken up in their reply to the Government of India's letter No. 1718-D. of the 28th February and in their evidence before the Indian Cotton Committee.

While my Committee do not consider an all-India system of licensing feasible at present they were in favour of legislation which would make compulsory certain conditions which they look on as essential to the improvement of cotton marketing and would give power to Local Governments to provide by rule for matters which require local knowledge and adaptation to local conditions. They also recommend that the principal Act should enable any local Government to introduce a system of licensing if found to be necessary.

I venture to point out that the need for control of gins and presses differs considerably in different provinces, as in some abuses are prevalent which are practically unknown elsewhere. For that reason my Committee advised that the question of licensing gins and presses should be taken up provincially (by means of an all-India Enabling Act) and not for India as a whole, thus following the precedent of their recommendations in regard to the restriction of cotton transport now given effect to by the Cotton Transport Act.

My Committee were also of the opinion that the compulsory marking of bales was a necessary complement to the Cotton Transport Act.

In view of the extreme importance of the matter I venture to suggest that your Chamber might re-examine this question with advantage.

Dated the 27th April 1923.

Report of the Sub-Committee consisting of Messrs. V. A. Grantham, C. H. Roberts, A. Fotiadi, H. B. Moore, G. Z. Mcll and Sir Purshotamdas Thakurdas appointed to advise the General Committee in connection with a re-consideration of their previously expressed opinion to the Government of Bombay on the subject of legislation regarding the licensing of

gins and presses and also requested to advise the General Committee in regard to the request of the Indian Central Cotton Committee to be informed of the names of the places at which the Chamber recommend that open cotton markets of the Berar system should be opened.

At your meeting held on the 11th April 1923 you constituted us into a Sub-Committee to advise you in connection with your decision to reconsider your reply to a letter, No.-103 G. of the 14th November 1922, from the Government of Bombay in which Government requested the Chamber's opinion on the subject of legislation regarding the licensing of gins and presses. We understand that you decided to re-consider this question on the receipt of a letter from the Indian Central Cotton Committee requesting to be informed of the reasons that had led the Chamber to express opinions on this subject that were opposed not only to the views that it had previously expressed but also to the general opinion of the trade. Accordingly we have carefully examined all the relevant correspondence in that connection and after having considered the matter at our meeting held on the 26th April we now beg to recommend you to request the Government of Bombay to disregard your previous reply to the questions raised in para. 11 of their letter, No. 103-G. of the 14th November 1922 and to accept as your opinion a reply based on the following recommendations :—

1. We are of opinion that further consideration of the idea of all-India legislation for the licensing of gins and presses should be postponed until such time as the effect of the provisions of the Cotton Transport Act, of legislation providing for the adequate marking of bales, of compulsory maintenance of records in press houses and of compulsory submission of statistical returns, can be accurately determined.
2. We consider that the Government of India should proceed to introduce a Bill to provide :—
 - (a) for the adequate marking of bales to enable the identity of the factory in which they are pressed to be established.

We are divided in our opinion as to whether it is feasible to legislate for the marking of bales to enable ownership to be established but we are unanimously of the opinion that if feasible then such legislation should be introduced.

- (b) for the compulsory maintenance of such records in the presses as would be necessary for the above purposes.
- (c) for the compulsory return of statistical returns by pressing factories.

In this connection we would add that it appears desirable to obtain similar information from Native States.

3. (a) We are of opinion that the Bill should contain enabling clauses empowering Local Governments to introduce systems of licensing of gins and presses wherever they are satisfied that such measures are necessary.

(b) With regard to the following recommendations, which were advocated by the Indian Central Cotton Committee, we consider that the Bill should, if possible, not be permissive but should provide that all Local Governments should enact—

- (i) that all new ginning factories be constructed on plans approved by the Indian Central Cotton Committee; this would ensure that separate exits and entrances would be made and certain other minimum requirements carried out;
- (ii) that press houses where cotton is handled on the ground floor should be paved, and
- (iii) that only certified standard weights prescribed for the tract should be used and that correct scales should be used.

You also requested us to advise you in connection with your reply to the Indian Central Cotton Committee on the subject of open Cotton Markets on the Berar system.

We understand that the Indian Central Cotton Committee have asked various Directors of Agriculture to advise them as to where such open Cotton Markets should be established.

Three of our members are of opinion that we should wait till the Central Cotton Committee have received the recommendations of the Directors of Agriculture and base our recommendations on their replies while the remaining three of us consider that we should not wait for these recommendations before attempting to collect information on this subject from members of this Chamber; and as we are thus equally divided on this question we can only refer the matter back to you for final decision.

No. 1182-62 of the 10th May 1923.

**From the Chamber, to The Indian Central Cotton
Committee.**

Proposed legislation regarding the licensing of gins and presses.

I have the honour to acknowledge the receipt of your letter No. 1121, dated the 7th April 1923, in which you refer to my Committee's reply to the Government of Bombay with reference to the Government of India's letter No. 5154 of the 6th October 1923 on the above subject.

In reply I am to inform you that my Committee have reconsidered the subject of the proposed legislation regarding the licensing of gins and presses, and I am to enclose herewith for your information a copy of a letter that they have addressed to the Government of Bombay in modification of the opinions that they expressed in their letter No. 175-62, dated the 23rd January 1923.

No. 1181-62 of the 10th May 1923.

**From the Chamber, to the Government of Bombay,
(Revenue Department.)**

*Proposed legislation regarding the licensing of gins and
presses.*

I have the honour to subjoin, in modification of my letter No. 175-62, dated the 23rd January 1923, further replies, that my Committee desire to submit, to the questions, raised

in paragraph No. 11 of the letter No. 5154, dated the 6th October 1922, from the Secretary to the Government of India, Department of Commerce, a copy of which accompanied your letter No. G-103, dated the 22nd December 1922, on the above subject.

Question 1.

My Committee are of opinion that further consideration of the idea of all-India legislation for the licensing of gins and presses should be postponed until such time as the effect of the provisions of the Cotton Transport Act, of legislation providing for the adequate marking of bales, of compulsory maintenance of records in press houses and of compulsory submission of statistical returns can be accurately determined.

Question 2.

My Committee consider that the Government of India should proceed to introduce a Bill to provide :—

- (a) for the adequate marking of bales to enable the identity of the factory in which they are pressed to be established.

My Committee are divided in their opinion as to whether it is feasible to legislate for the marking of bales to enable ownership to be established but they are unanimously of the opinion that if feasible then such legislation should be introduced.

- (b) for the compulsory maintenance of such records in the presses as would be necessary for the above purposes.
- (c) for the compulsory return of statistical returns by pressing factories.

In this connection I am to add that it appears desirable to obtain similar information from Native States.

Question 3 (a).

My Committee are of opinion that the Bill should contain enabling clauses empowering Local Governments to introduce systems of licensing of gins and presses wherever they are satisfied that such measures are necessary.

Question 3. (b).

With regard to the following recommendations, which were advocated by the Indian Central Cotton Committee, my Committee consider that the Bill should, if possible, not be permissive but should provide that all Local Governments should enact :—

- (i) that all new ginning factories should be constructed on plans approved by the Indian Central Cotton Committee; this would ensure that separate exits and entrances would be made and certain other minimum requirements carried out ;
- (ii) that press houses where cotton is handled on the ground floor should be paved, and
- (iii) that only certified standard weights prescribed for the tract should be used and that correct scales should be used.

No. 2890 of the 16th May 1923.

**From the Government of India (Department of Commerce),
Simla, to the Chamber.**

Proposed legislation regarding the licensing of gins and presses.

I am directed to acknowledge the receipt of your letter No. 1183-62 of 1923, dated the 10th May 1923, on the above subject.

No. 1576 of the 22nd May 1923.

**From the Indian Central Cotton Committee,
to the Chamber.**

Proposed legislation of gins and presses.

I have the honour to acknowledge, with thanks, the receipt of your letter No. 1182-62, dated the 10th May 1923, forwarding a copy of your Committee's letter of the same date to the Government of Bombay on the above subject.

APPENDIX S-5.

AMERICAN COTTON BOLL WEEVIL IN INDIA.

No. 609-10 of the 12th January 1923.

**From the Indian Central Cotton Committee,
to the Chamber.**

During the last year the Central Cotton Committee has had under consideration the question of the danger of the importation of the American Cotton Boll Weevil into India in imported American Cotton. It has been definitely ascertained that there is a risk of the importation of the living Weevil into India in the wrappings of bales of American Cotton, and this danger has probably been enhanced by the opening of the shorter route *via* Japan. The Imperial Entomologist has been consulted and the information which has been received from the United States Department of Agriculture clearly points to the conclusion that unless definite steps are taken to prevent the introduction of this insect it is only a matter of time before it reaches India.

It is unnecessary for me to point out the extreme destructiveness of this cotton pest as the extent of the loss which it causes in America is well known. The amount of American cotton in use in India is small, the imports in average years are nominal, and the largest importation on record in a single year is approximately 100,000 bales.

By fumigation with hydrocyanic gas at the port of entry it is possible to ensure that no living Weevils are introduced. This method of fumigation has been studied in great detail recently at the Parel Government Laboratory, Bombay, (in connection with measures for the destruction of fleas, lice and bugs) and an apparatus is being designed which can be used on a large commercial scale. It is estimated roughly that the cost of fumigation would not exceed 8 annas per bale which is trifling compared to the value of the cotton.

The technical side of the question will be thoroughly discussed at the next meeting of the Central Cotton Committees. At present (with the approval of the President, the Agricultural Adviser to the Government of India), I have to ask for the opinion of your Chamber as to whether there would be any serious objection to restricting imports of American cotton to a single port, viz., Bombay. I am informed by the Director General of Commercial Intelligence that in recent years there has only been one importation at ports other than Bombay, viz., 413 tons at Tuticorin in 1921-22. If importation could be restricted to a single port it would greatly simplify the provision of adequate fumigation facilities.

The favour of an early reply is requested.

No. 216-56 of the 27th January 1923.

**From the Chamber, to the Indian Central Cotton
Committee.**

I am directed to acknowledge receipt of your letter No. 609-10, dated the 12th January 1923, on the subject of the prevention of the introduction of the American Boll Weevil in India

2. My Committee observe from your letter that the question of the measures to be taken in the foregoing connection, with particular reference to the feasibility of providing for the fumigation of all bales of American cotton imported into India, is engaging the attention of the Indian Central Cotton Committee and that in the meantime their opinion as to whether there would be any serious objection

to restricting such imports to a single port, viz., Bombay, is requested.

3. In reply I am to say that in the opinion of my Committee no appreciable hardship would at present be inflicted on the trade by the restriction of imports of American cotton to the port of Bombay.

APPENDIX T-1.

DRAFT CONVENTION ON ARBITRATION CLAUSES.

No. 9215-G. of the 6th November 1923.

**From the Government of Bombay (Revenue Department)
to the Chamber.**

*Draft Convention on Arbitration Clauses prepared by the
Economic Committee of the League of Nations.*

I am directed by the Governor in Council to forward a copy of Government Resolution No. 9215, dated 13th October 1923, on the subject mentioned above and to request that Government may be favoured with the views of your Chamber on the subject.

GOVERNMENT OF BOMBAY.

Revenue Department.

Resolution No. 9215.

Bombay Castle, 13th October 1923.

Letter from the Government of India, Department of Commerce, No. 4659, dated 11th September 1923 :—

“ I am directed to forward copy of a draft Convention* on Arbitration Clauses prepared by the Economic Committee of the League of Nations, which, it is proposed, shall be open for signature by all States desirous of adhering thereto at the meeting of the Assembly in September next.

“ 2. In pursuance of its study of measures calculated to facilitate international trade, the Economic Committee of the League examined the question of the wider recognition of arbitration clauses in commer-

* Printed as an accompaniment to this Resolution.

cial contracts between nationals of different countries. The Genoa Conference endorsed this action by passing a Resolution to the effect that 'it is desirable that the enquiries now being made by the League of Nations, as to the best means of safeguarding the validity of voluntary agreements to refer to arbitration disputes arising out of commercial contracts should be continued'. This Protocol is the outcome of the labours of the Sub-Committee specially appointed to consider this question. The use of clauses providing for arbitration has generally been found of great practical value in avoiding litigation and promoting commercial honesty, and the commercial world attaches, as a rule, great importance to its general recognition. The Government of India, therefore, propose to instruct their representative to agree to this Protocol being open for signature by States Members of the League and are inclined to think that it would be desirable for India to adhere thereto. Before, however, instructing their Delegate to sign the Protocol, they desire that commercial opinion and the High Courts should be consulted on the advisability or otherwise of doing so.

"The object of the Protocol is to provide for the recognition of arbitration clauses voluntarily inserted in commercial contracts between nationals of different countries. Article 4 requires that the tribunals of the Contracting Parties should stay any action regarding such contracts, and refer the parties to the decision of the arbitrators. By Article 3 each Contracting Party undertakes to enforce arbitral awards made in its own territory. No provision, however, is made for the reciprocal enforcement of awards in different countries. It was considered by the Sub-Committee that at present there is no consensus as to the reciprocal enforcement of the judgments of the Courts of one country in those of another country, and that the difficulties would be even greater in regard to the awards of commercial arbitrators. It is recognised that this is a defect in the proposed Convention; but it is believed that in the vast majority of cases such awards are in fact obeyed without any intervention of executive compulsion.

"4. The Government of India are of opinion that the application of the Protocol, as far as India is concerned, should be restricted to contracts relating to the sale of goods in the export and import trade of India and contracts relating to freight, insurance, commission, etc., associated with such trade. They further consider that the extent to which the law in British India falls short of the requirements of the Protocol is that:—

- (i) an application for the appointment of an arbitrator and an application to file an award can only be made to a Court which would have had jurisdiction to try a suit covering the issues covered by the agreement or the award—(c.f. section 2 of the Indian Arbitration Act IX of 1899 and paragraphs 17 and 20 of the second schedule to the Code of Civil Procedure); and

- (ii) a Court is not bound, but only has discretion to stay a suit on the plea that there is in force a valid agreement to refer the subject matter of the suit to arbitration (c.f. section 19 of the Arbitration Act, 1899 and paragraph 18 of the second schedule to the Code of Civil Procedure).

"5. The Government of India incline to the view that there is no objection to the law in British India being amended with a view to its being brought into harmony with the provisions of the Protocol, but, as the matter is one which closely affects the mercantile community, they would be glad if His Excellency the Governor in Council will favour them with his views after consulting the mercantile community and such other local bodies or individuals as he may deem desirable.

"6. I am also to ask that the opinion of the Honourable the Judges of the High Court may be obtained and forwarded with your reply."

RESOLUTION.—Copies of the letter from the Government of India and of its accompaniment should be forwarded to the Commissioner in Sind, the Commissioner of Customs, Salt and Excise, the Collector of Customs, Bombay, the Chief Collector of Customs in Sind and the Director of Industries, and they should be requested to furnish Government with their views on the subject after consulting such local bodies or individuals as they deem desirable. The Chamber of Commerce, Bombay, the Chamber of Commerce, Karachi, the Indian Merchants' Chamber, the Millowners' Associations, Bombay and Ahmedabad, the Bombay Native Piece-Goods Merchants' Association, the Bombay Presidency Trades' Association, the East India Cotton Association, the Grain Merchants' Association, the Marwari Chamber of Commerce, the Mukadams' Association and the Bombay Fire Insurance Association should also be requested to favour Government with their views on the subject.

2. The Registrar of His Majesty's High Court, Appellate Side, should be requested to favour Government with the opinion of the Honourable the Chief Justice and Judges of the High Court on the point raised in paragraph 5 of the letter.

*Accompaniment to Government Resolution, Revenue Department,
No. 9215, dated the 13th October 1923.*

LEAGUE OF NATIONS.

Geneva, May 24th, 1923.

Draft Convention on Arbitration Clauses.

The undersigned, being duly authorised, declare that they accept, on behalf of the countries which they represent, the following provisions :—

1. The validity of an agreement to submit an existing difference to arbitration, or of an agreement in respect of future differences

relating to commercial matters or to any other matter capable of settlement by arbitration, by which the parties agree to submit to arbitration all or any differences which may arise in connection with a contract, is recognised as between persons subject to the jurisdiction of different Contracting Parties, even if the arbitration is to take place in a country to whose jurisdiction none of the parties is subject.

Each Contracting Party reserves the right to limit the obligation mentioned above to contracts which are recognised as commercial by its own legislation.

Any Contracting Party which avails itself of this right will notify the Secretary-General of the League of Nations, in order that the other Contracting Parties may be so informed.

2. The arbitral procedure will be governed by the provisions of the contract and by the law of the country in whose territory the arbitration takes place. The Contracting Parties agree to facilitate all steps in the procedure which require to be taken in their own territories, in accordance with the provisions of their law governing arbitral procedure applicable to existing differences.

3. Each Contracting Party undertakes that arbitral awards made in its own territory under the preceding articles shall be enforced by its authorities in accordance with the provisions of its national laws.

4. Tribunals of the Contracting Parties which, on being seized of a dispute regarding a contract between persons to whom Article 1 applies, recognise the existence in the contract of an arbitration agreements, whether referring to present or future differences, which is valid and capable of being put into force, shall, on the application of any of the parties, refer such parties to the decision of the arbitrators.

5. The present Protocol, which shall remain open for signature by all Members of the League of Nations and by States willing to accede to it, shall be ratified. The ratifications shall be deposited as soon as possible with the Secretariat of the League of Nations; the latter shall take the necessary steps to notify such ratifications to all the Signatory Parties.

6. The Protocol will come into force as soon as two ratifications have been deposited with the Secretariat of the League of Nations. Thereafter it will take effect, in the case of each Contracting Party, on the date of the deposit of its ratification.

7. The present Protocol may be denounced by any Contracting Party on giving one year's notice. Denunciation shall be effected by

a notification in writing addressed to the Secretary General of the League, who will immediately transmit copies of such notification to all the other Parties and inform them of the date on which it was received. The denunciation shall take effect one year after the date on which it was notified to the Secretary-General, and shall operate only in respect of the notifying Party.

8. The Contracting States may declare that their acceptance of the present Protocol does not include any or all of the colonies, overseas possessions or protectorates under their sovereignty or authority, and they may subsequently adhere separately on behalf of any colony, overseas possession or protectorate so excluded in their declaration. They may also denounce the Protocol separately, in accordance with its provisions, in respect of any colony, overseas possession or protectorate under their sovereignty or authority.

A certified copy of the present Protocol will be transmitted by the Secretary-General to all the Contracting Parties.

Done at Geneva on the.....in a single copy, of which the French and English texts are both authentic, and which will be kept in the archives of the Secretariat of the League.

No. 2508-277 of the 1st December 1923.

From the Chamber to the Government of Bombay (Revenue Department).

I am directed to acknowledge receipt of your letter No. 9215-G., dated the 11th November 1923, on the subject of the Draft Convention on Arbitration clauses prepared by the Economic Committee of the League of Nations.

2. In reply I am to say that my Committee will always accord their support to any proposal having for its main object the avoidance of litigation in commercial disputes. As regards the particular proposal before them, my Committee are very sceptical as to the practical utility of an arbitration clause in respect of which the Government of India admit that no provision can be made for the reciprocal enforcement of awards in different countries. Nevertheless my Committee are constrained to agree that India should adhere to the Protocol with the qualification stated in paragraph 4 of the Government of India's letter.

3. In conclusion my Committee have no objection to the law in British India being amended with a view to its being

brought into harmony with the provisions of the Protocol to the extent indicated in the latter half of the same paragraph of the letter from the Government of India.

APPENDIX T-2.

RIGHTS OF MANUFACTURERS IN THE UNITED KINGDOM OVER PROPERTY CONSIGNED TO THEIR AGENTS IN INDIA.

No. 63-23 of the 13th November 1923.

**From His Majesty's Acting Senior Trade Commissioner
in India, Bombay, to the Chamber.**

I am directed by the Department of Overseas Trade, to make enquiries with regard to the rights retained by United Kingdom manufacturers over property consigned to their agents in India in the event of such agents failing in business.

The Department realises that this is largely a technical enquiry best answered by lawyers. Unless there is specific legislation conferring special rights upon any bodies or individuals, the consignors' rights would naturally be dependent in each separate instance upon the nature of the arrangements agreed between the principals and their agents.

Any general information you may be able to furnish me with as to the prior rights, if any, of landlord, bank, or other creditor, over consignment stocks or samples, would be of general interest to the firms doing such business with India, and it is on the general provisions of the local laws, if any, on the subject, that the Department desires information.

No. 2578-6 of the 14th December 1923.

**From the Chamber to H. M. Acting Senior Trade
Commissioner in India, Bombay.**

I am directed to acknowledge the receipt of your letter No. 63-23, dated the 13th November 1923, in which you ask

for information of a general nature, in regard to the rights retained by the United Kingdom Manufacturers over property consigned to their agents in this country in the event of such agents failing in business.

2. In reply I am to say that, in the absence of any special legislation on the subject, and they have no knowledge of any such legislation, my Committee understand that the rights of consignors over goods consigned to agents in India are as suggested in your letter, dependent upon the terms of the document conveying the charge.

3. If the shipping documents for the goods in question are hypothecated to and or sent through a bank it is, my Committee, believe, usual for the office of the bank in India, with the knowledge and under the authority of the shippers, to surrender to approved firms the documents under Trust Receipt, a copy of the usual form of which I enclose herewith.

4. By the execution of a Trust Receipt the signatories thereto, the aforesaid agents in India, undertake amongst other things to hold the goods as agents and trustees of the bank. The goods thereafter become trust property and in the event of their being wrongfully alienated or converted in such circumstances as to constitute a breach of trust, can, so long and so far as they are traceable, be followed and recovered, unless they shall have come into the hands of a purchaser for valuable consideration, who, without notice of the trust, has acquired a right to them paramount to that of the person claiming under the trust by reason of his having a legal claim thereto.

5. In submitting the foregoing remarks for your information I am to add that they embody the only general information on the subject of your reference which my Committee are in a position to give.

COPY.
 THE AGENT,.....BOMBAY.
 DEAR SIR,

In consideration of your having this day handed over to $\frac{me}{us}$ Shipping Documents for.....

Marks and Numbers.	No. of Packages.	Description.	Steamer.
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hypothesized to the Bank as collateral Security for the due acceptance and payment of Draft No.....for.....
 drawn upon $\frac{me}{us}$ by Messrs.....negotiated through your.....office, and accepted by $\frac{me}{us}$ to mature on..... $\frac{I}{we}$ receive the above documents in trust on your account and $\frac{I}{we}$ hereby undertake to land, store and hold the said goods as $\frac{agent}{agents}$ and $\frac{trustee}{trustees}$ of the.....
Bank until the amount due on the said Draft shall have been fully paid and satisfied by $\frac{me}{us}$ or in the event of the said goods being sold and proceeds realized before payment of the said Draft, $\frac{I}{we}$ further undertake that such proceeds shall be earmarked as the Bank's property and shall in all respects be treated by $\frac{me}{us}$ in $\frac{my}{our}$ books as belonging to your bank and be paid into the bank as soon as may be after receipt thereof by $\frac{me}{us}$.

$\frac{I}{We}$ also undertake at all times to keep the goods referred to insured against fire to their full value and hand over to you on receipt all monies recoverable from the Underwriters under the Policy or Policies so effected by $\frac{me}{us}$ such Policy or Policies being in the meantime held by $\frac{me}{us}$ as $\frac{Trustee}{Trustees}$ for your bank on the distinct understanding that they shall be transferred to the bank at any time on demand.

The said goods—or such of them as may remain unrealized and unaccounted for by $\frac{me}{us}$ shall at all times be open to inspection by you or your duly accredited representative and $\frac{I}{we}$ hereby undertake on demand to deliver them back into your possession whenever called upon by you to do so—or if the said goods are not in $\frac{my}{our}$ hands, to pay to you the value thereof, to your satisfaction.

Yours faithfully,

No. 63-23 of the 18th December 1923.

**From H. M. Acting Senior Trade Commissioner in India,
Bombay, to the Chamber.**

I have the honour to acknowledge your letter No. 2578-6, dated December 14th, 1923, and to thank you for the information you have given me with regard to the rights retained by United Kingdom Manufacturers over property consigned to Agents in this country in the event of such Agents failing in business.

Although, as you say, there is no special legislation on the subject, it is very helpful to us to know the procedure generally adopted.

It appears to me from the information you have given me that Manufacturers' interests are well safeguarded.

APPENDIX T-3.

REDUCTION IN MANUFACTURING COST OF MANCHESTER PIECE-GOODS.

No. 2269 of the 19th November 1923.

**From Messrs. Gillanders, Arbuthnot & Co., Bombay,
to the Chamber.**

Cloth Finishing Costs.

With reference to our letter of the 13th October 1922 and our reply of the 6th November 1922, it is interesting to note that the *Manchester Guardian* in its issue of the 23rd October makes special reference to the subject in connection with your Annual Report. The *Manchester Guardian* writes :—

“It is clear from this that Manchester merchants are expected to protect the interests of their customers, and their present action is therefore abundantly justified.”

In view of the above extract we take the opportunity of suggesting that the matter be brought up at the next Annual

Conference of the Indian Chambers of Commerce. We ourselves feel that united support from this country will be welcomed by the Manchester Shipping Merchants in view of the active campaign which has recently been brought by them against the Piece Dyers' Association.

No. 2535-282 of the 7th December 1923.

**From the Chamber to Messrs. Gillanders Arbuthnot & Co.,
Bombay.**

Cloth Finishing Costs.

I am directed to acknowledge the receipt of your letter No. 2269 of the 19th November 1923 in which you refer to previous correspondence on this subject and draw attention to a dispute between the Manchester Chamber of Commerce and the Piece Dyers' Association, and in which you suggest that this dispute should be discussed at the recent Annual General Meeting of the Associated Chambers of Commerce of India and Ceylon with a view to supporting the Manchester Chamber.

2. In reply I am to bring to your notice the attached copy of a cable from London, from which it will be observed that the dispute has been settled, and to say that in view of the settlement it does not appear desirable for the Chamber to take any action in this connection at the present moment.

Copy of Cable, dated London, the 28th November 1923.

"The two months' dispute between the Manchester Cotton Merchants and Dyers has been settled. The merchants objected to the dyers' new contract, the terms of which provided for a 10 per cent. reduction in charges on condition all business was given to members of the Association. The fresh proposals provide that the dyers shall allow a discount on a sliding scale according to the amount of business placed with the members of the Association, also there shall be an immediate reduction of charges by $7\frac{1}{2}$ per cent."

APPENDIX U.

MUNICIPAL TAXATION OF COMPANIES TRADING IN THE MADRAS PRESIDENCY.

No. 2505A-1 L & M of the 24th January 1923.

**From the Government of Madras (Local Self Government
Department), to the Chamber.**

I have the honour to forward herewith a copy of each of the bills* to amend the Madras District Municipalities Act, 1920, and the Madras Local Boards Act, 1920. The bills were published in the Fort St. George Gazette, dated the 23rd January 1923.

No. 544-88 of the 1st March 1923.

**From the Chamber to the Government of Madras (Local
Self Government Department).**

I have the honour to acknowledge the receipt of your letter No. 2505 A-1 L & M., dated the 24th January 1923, enclosing a copy of each of the Bills to amend the Madras District Municipalities Act, 1920, and the Madras Local Boards Act, 1920.

2. The Bills have been carefully considered by my Committee, who direct me to refer you to Rule 19 of Section 77 of the Bill to amend the Madras District Municipalities Act, 1920. My Committee note that under this Rule the Chairman of a Municipality may classify all persons liable to Profession tax under Rule 17, but who are not in receipt of a fixed salary or remuneration, on general considerations with reference to the nature and reputed value of their business, the size and rental of residential and business premises, the quantity of articles dealt with, the number of persons employed and the income-tax paid to Government.

3. I am to state that my Committee consider that this rule is extremely arbitrary and leaves the position of persons

* Not printed.

liable to Profession tax as unsatisfactory as it is under the present Act unamended, my Committee are of the opinion that a definite basis of assessment should be laid down for all persons who are liable to Profession tax and they suggest for the favourable consideration of the Government of Madras that it would be much simpler if the rules for assessment of Profession tax were brought into line with those for Companies' tax and a definite basis decided upon for Companies and Firms whose principal place of business is outside the jurisdiction of the Municipality.

APPENDIX V-1.

CANADIAN TRADE WITH THE EMPIRE.

No. 729-A.C. of the 23rd July 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

I am directed to hand you the enclosed copy of a letter from the Canadian Chamber of Commerce in London and the accompanying resolutions passed by that Chamber and to request you to favour me with any comments that your Chamber may care to put forward in that connection.

Dated the 30th June 1923.

From the Canadian Chamber of Commerce in London to the Associated Chambers of Commerce of India and Ceylon, Bombay.

At the suggestion of the Commerce Department of the India Office, I enclose herewith a copy of the Resolutions passed at a meeting of the Council of this Chamber, and we would welcome any suggestions and comments in regard to this at your convenience.

Resolutions.

1. "Resolved that the Council of the Canadian Chamber of Commerce, in London, urge on Chambers of Commerce, Manufacturers' Associations, Boards of Trade, The Bankers' Association, etc., in Canada, the vital necessity of selecting at once a representative body of business men and experts to collect and co-ordinate all available

data regarding what Canada can offer to and receive from the Empire and to assist and advise the Canadian Government Delegation both before and at the Imperial Economic Conference, and in addition to be prepared to meet and discuss joint-interest with similar unofficial bodies of Great Britain and other parts of the British Empire during the Conference in London."

2. "Resolved that the Council of the Canadian Chamber of Commerce in London forward to Mr. Arthur Balfour, the Chairman of the Associated Chambers of Commerce of Great Britain, a copy of the Resolution addressed to representative business organisations in Canada and invite him to have a similar body of representative business men appointed in Great Britain to meet similar delegations from Canada and from other parts of the Empire, to discuss with them various proposals put forward, to co-ordinate their views and to submit their recommendations to the Imperial Economic Conference."

No. 1713-231 of the 23rd July 1923.

Circular to all Members of the Chamber.

I am directed to hand you the attached copy of a letter from the Canadian Chamber of Commerce in London and of the accompanying resolutions adopted by that Chamber; which have been passed to this Chamber by the Associated Chambers of Commerce of India and Ceylon.

I am further to request you to favour me, at an early date, with any comments or suggestions that you may care to put forward regarding the resolutions.

APPENDIX V-2.

GOVERNMENT OF INDIA GRANT TO THE IMPERIAL INSTITUTE.

No. 485-A.C. of the 14th March 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

Discontinuance by the Government of India of their Annual Grant to the Imperial Institute, London.

I am desired to inform you that, a copy of the resolution on the above subject adopted at the Annual Meeting of the

Associated Chambers held in Calcutta on the 8th and 9th January 1923, was forwarded for the favourable consideration of the Government of India and that the Assistant Secretary to the Government of India, Department of Revenue and Agriculture, has now replied that the Government of India regret their inability to reconsider their decision to discontinue their annual grant to the Imperial Institute after the close of the current financial year.

APPENDIX W.

EARTHQUAKE IN JAPAN.

No. 1975-250 of the 5th September 1923.

From the Chamber to the Consul for Japan, Bombay.

I am directed to inform you that at a Meeting of the Committee of this Chamber held to-day, a vote of condolence was passed expressing the deepest sympathy with you and the members of your community on the appalling disaster that has befallen your country.

I am to request that you will convey this expression of sympathy on the part of the Chairman, Committee and Members of this Chamber to the members of your community.

Dated the 6th September 1923.

From the Consul for Japan, to the Chamber.

I am duly in receipt with sincere appreciation of your letter No. 1975-250 of 1923, dated the 5th instant, informing me of a vote of condolence passed at a Meeting of the Committee of your Chamber held yesterday, expressing the deepest sympathy with me and the members of Japanese community on the appalling disaster took place in my country.

I am impressed to convey your heartfelt expression of sympathy on the part of the Chairman, Committee and

Members of your Chamber to the members of Japanese community.

APPENDIX X-1.

PUBLIC HOLIDAYS IN 1923.

No. L. 155-A. of the 1st September 1923.

**From the Government of Bombay (Finance Department),
to the Chamber.**

I am directed by the Governor in Council to forward for the information of the Chamber a copy of Government Notification No. L. 155-A, dated 1st September 1923, declaring Thursday, the 1st November 1923, to be a public holiday on account of general elections to the Bombay Legislative Council by Muhammadan and Non-Muhammadan (excluding Bombay City Muhammadan) Constituencies.

Notification.

BOMBAY CASTLE, 1st September 1923.

No. L. 155-A. Under Section 25 of the Act XXVI of 1881 entitled the Negotiable Instruments Act, His Excellency the Governor in Council is pleased to declare Thursday, the 1st November 1923 to be a public holiday on account of general elections to the Bombay Legislative Council by Muhammadan and Non-Muhammadan (excluding Bombay City Muhammadan) constituencies.

No. 2066-32 of the 21st September 1923.

From the Chamber to the Collector of Customs, Bombay.

I have the honour to request you to inform me at an early date whether the Customs House will be entirely closed on Thursday, November 1st, 1923, which has been declared a public holiday by the Government of Bombay on account of the elections on that day.

This information is required in order that my Committee may be in a position to decide whether that day should be declared a Charter Party Holiday.

R. S. R. No. 3960 of the 28th September 1923.

From the Collector of Customs, Bombay, to the Chamber.

With reference to your letter No. 2066-32, dated the 21st instant, I have the honour to inform you that the Custom House will be entirely closed for business on Thursday, the 1st November 1923, on account of general elections to the Bombay Legislative Council.

No. 2137-32 of the 3rd October 1923.

From the Chamber to the Collector of Customs, Bombay.

With reference to your letter No. R.S.R. 3960, dated the 28th September 1923, I have the honour to request you to inform me whether the full usual fees for working steamers and for opening the dock gates, on general holidays, will be charged on 1st November 1923.

R.S.R. No. 3960 of the 8th October 1923.

From the Collector of Customs, Bombay, to the Chamber.

With reference to your letter No. 2137-32, dated the 3rd October 1923, I have the honour to inform you that penalty fees for working steamers and for opening the dock gates will be chargeable on the 1st November 1923.

No. 2191-32 of the 11th October 1923.

From the Chamber to the Government of Bombay, (Finance Department.)

I have the honour to refer to your letter No. L. 155-A. of the 1st September 1923, in which you inform me that the 1st of November 1923, has been notified to be a Public Holiday on account of the General Elections to the Bombay Legislative Council by Mahomedan and Non-Mahomedan (excluding Bombay City Mahomedan) Constituencies.

I am to inform you that in reply to my enquiries the Collector of Customs wrote to me under date 28th September, that

the Custom House would be entirely closed for business on the above date and again wrote on the 8th instant stating that Penalty Fees for working steamers and for opening the Dock Gates would be chargeable on the 1st November. This places this holiday in the same category as X'mas Day, King's Birthday and the other days on which the Customs is entirely closed for business.

I am to point out that this will entail a very serious burden on the Shipping and the Commerce in the Port and my Committee desire to protest most strongly against this decision and they urge that immediate steps may be taken to alter the ruling.

My Committee are further of the opinion that the very numerous holidays which now interfere with the work of the port of Bombay are detrimental to its reputation as a business centre.

The importance of election day is fully appreciated by my Chamber but they do not consider that the import and export business of the port should be brought to a standstill to allow of electors registering their votes. As the Holiday has already been notified by Government it is no doubt impossible at this date to have the notification rescinded but my Chamber are strongly of the opinion that it should rank as a Holiday similar to the bulk of the Holidays sanctioned under the Negotiable Instruments Act, 1881, and that the Customs should not be closed for business.

I have the honour to request that this matter may be given immediate consideration.

No. 2234-32 of the 18th October 1923.

**From the Chamber to the Government of Bombay,
(Finance Department.)**

I have the honour to refer to my letter No. 2191-32, dated the 11th October 1923, regarding the closure of the Custom House on the 1st November 1923, and to say that my Committee would be greatly indebted to you if you could afford them an immediate reply, for it will be necessary for them to

decide in the immediate future whether the 1st proximo is to be a Charter Party holiday or not.

No. 959-C. G. of the 19th October 1923.

**From the Government of Bombay (Revenue Department),
to the Chamber.**

*Declaration of 1st November 1923 as a public holiday in lieu
of a close holiday.*

With reference to the correspondence ending with your letter No. 2234-32, dated 18th October 1923, on the subject mentioned above, I am directed by the Governor in Council to intimate for the information of your Chamber that 1st November 1923, will be treated as a public holiday and not a close holiday.

R.S.R. No. 3960 of the 22nd October 1923.

From the Collector of Customs, Bombay, to the Chamber.

In modification of my letter R.S.R. No. 3960, dated the 28th September 1923, I have the honour to inform you that under orders from Government since received Thursday, the 1st November 1923, will be treated as a Bank holiday by this Custom House and not a close holiday, due provision being made by heads of departments for urgent work till 2 p.m. (Standard Time).

APPENDIX X-2.

HOLIDAY : EMPIRE DAY.

Dated the 6th December 1923.

**From the Government of Bombay (Finance Department),
to the Chamber.**

Holiday : Empire Day.

I am directed to forward, for favour of opinion of your Chamber, a copy of Government Resolution No. 182, dated 6th December 1923, on the subject mentioned above.

GOVERNMENT OF BOMBAY.

Finance Department.

Resolution No. 182.

BOMBAY CASTLE, 6th December 1923.

Letter from the Government of India, Home Department, No. D. 5130-Public, dated 27th November 1923 :—

"I am directed to invite a reference to the correspondence ending with the Home Department letter* No. D. 2948, dated the 14th January 1922, on the subject mentioned above, and to forward, for the information of His Excellency the Governor in Council, a copy of a letter No. 24049-Genl., dated the 16th October 1923, from the Government of the Punjab. It is stated that in the opinion of that Government "Empire Day" could suitably be omitted from the list of holidays in the Punjab and that they accordingly propose to do so if the Government of India see no objection.

2. Although the decision that the 24th of May should be observed every year as "Empire Day" in India and notified as a public holiday under the Negotiable Instruments Act, 1881, was arrived at only about two years ago after consultation with local Governments; the Government of India have, in view of the Punjab Government's present proposal, further considered the matter. They observe that the "Empire Day" has not yet become one of the recognised holidays in England, and that it falls on a date near to that on which the King-Emperor's birthday is celebrated. In these circumstances and in view of the fact that there are already many holidays in India they are inclined to consider that the question deserves re-examination. Before, however, coming to a decision they would be glad to be favoured with the views of His Excellency the Governor in Council as to the value which is attached to this holiday in the Bombay Presidency and the advisability of retaining it.

3. I am to request that a reply to this letter may be sent at a very early date in order to enable the Government of India to communicate their decision as early as possible and if possible before the publication of the lists of holidays for 1924."

Copy of a letter from the Officiating Chief Secretary to the Government of the Punjab, to the Secretary to the Government of India, Home Department, No. 24049-Genl., dated the 16th October 1923.

I am directed to invite a reference to Government of India letter* No. D. 2948-Public, dated the 14th January 1922, under the orders

* Printed in the preamble of Government Resolution No. 182, dated 30th January 1922.

contained in which "Empire Day" is observed as a public holiday under the Negotiable Instruments Act, and is notified annually as such in the list of Public Holidays published at the beginning of each year.

2. The Governor in Council has recently had under consideration the possibility of reducing the number of public holidays in the Punjab, which is at present excessive. He believes that the decision of the Government of India with regard to the observance of "Empire Day" was based, not upon the belief that the day should necessarily be observed as a holiday, but on the consideration that, as it was in practice observed as such, it was desirable that it should be included in the regular list of holidays, rather than that it should be declared to be a holiday at short notice. I am, in this connection, to invite a reference to the letter No. 1086-32 of 1921, dated 27th May 1921, from the Bombay Chamber of Commerce to the Government of India, in which the question of the observance of Empire Day as a regular public holiday was originally raised.

3. The Governor in Council considers that "Empire Day" could suitably be omitted from the list of Public Holidays in the Punjab, and it is accordingly proposed, in the circumstances explained in the preceding paragraph, to omit it from the list in future unless the Government objects.

RESOLUTION :—Copies of the letter from the Government of India and its accompaniment should be forwarded to the following officers and bodies and they may be requested to furnish their opinion on the letter by the 31st December 1923 :—

The Commissioner in Sind; The Commissioners of Divisions; The Political Resident, Aden; The Deputy Controller of the Currency, Bombay; The Director of Public Instruction; The Agent to the Governor in Kathiawar; The Secretary, Chamber of Commerce, Bombay; The Chairman, Associated Exchange Bank, Bombay; The Chairman, Indian Merchants' Chamber, Bombay; The Chairman, Chamber of Commerce, Karachi; The Secretary and Treasurer, Imperial Bank of India, Bombay Branch.

No. 2523-37 of the 21st December 1923.

**From the Government of Bombay, (Finance Department),
to the Chamber.**

I am directed to acknowledge the receipt of your letter, dated the 6th December 1923, and its accompaniment, on the subject of the proposed omission of Empire Day from the list of Public Holidays.

2. In reply I am to state that in the circumstances mentioned in the Government of India's letter, a copy of which accompanied your letter under reference, my Committee are in favour of deleting Empire Day from the list of holidays in question.

APPENDIX Y.

THE BRITISH EMPIRE EXHIBITION 1924.

No. C. 443-D. of the 12th February 1923.

**From the Government of Bombay, (Revenue Department),
to the Chamber.**

British Empire Exhibition.

I am directed by the Government of Bombay (Transferred Departments), to state that it has been decided to constitute an Organising Committee in pursuance of the appended Resolution passed at the December session of the Legislative Council. The Government of Bombay proposes that a representative of the Chamber should be one of the members of the Committee. I am to request you to nominate a representative of your Chamber.

2. I am also to request that those of your members, who desire to participate in the British Empire Exhibition, may be asked to address the Director of Industries regarding the space available, terms, etc., at an early date.

*Resolution moved by Dr. R. P. Paranjpye, M.L.C., and passed
by the Legislative Council.*

"This Council recommends to Government that the Bombay Presidency do participate in the British Empire Exhibition to be held in London in 1924, that gross expenditure of Rs. 1,80,000 involving net expenditure not exceeding one lakh, be incurred and that funds be provided for the purpose as required in the course of the next two years and that an organising committee be appointed to co-operate with the Director of Industries in carrying out this resolution."

No. 449-80 of the 22nd February 1923.

**From the Chamber to the Government of Bombay
(Revenue Department).**

I have the honour to acknowledge the receipt of your letter No. C. 443-D., dated the 12th February 1923, in which you request my committee to nominate a member of an Organizing Committee that the Government propose to appoint in connection with the forthcoming British Empire Exhibition.

2. In reply I am to inform you that Mr. N. Birrell of Messrs. W. & A. Graham & Co., Parsee Bazar Street, Fort, has been nominated as this Chamber's representative on the Committee in question.

No. 1-A. C. of the 6th December 1923.

**From the Associated Chambers of Commerce of India and
Ceylon, Bombay, to the Chamber.**

I am directed by the President to forward herewith a copy of a D/O. letter, and its accompaniment, received from Mr. H. A. F. Lindsay, the Indian Trade Commissioner in London, and to say that he will be glad if you will kindly furnish him at your earliest convenience with the views of your Chamber on the proposals contained therein.

D./O. No. 37221 of the 14th November 1923.

**From the Indian Trade Commissioner, London, to the
President, Associated Chambers of Commerce of India
and Ceylon, Bombay.**

Some time ago Carey wrote to Rhodes suggesting that the Associated Chambers of Commerce might take a stall in the British Empire Exhibition, and asking what arrangements would be feasible. Rhodes handed the letter to me and I have been making enquiries and getting estimates, but delayed writing until I could put up a complete scheme. I am replying to you as I think this will be the quicker procedure; and I am sending a copy to Carey, who is doubtless, in any case, with you at Bombay.

What I propose is shortly this I have had allotted to the Commercial Intelligence Department and the Associated Chambers of Commerce two vacant spaces, side by side, in a good position near the timber exhibit. Each space measures 15' x 14' and I propose to erect two stalls, one for you and one for the Commercial Intelligence Department. I also propose that there shall be no partition between the two, so as to enable one person to supervise both. The cost of the supervisor will be £400 for the six months. The cost of fitting up both stalls with flooring, reading tables, chairs and book-cases of Indian timbers will be another £400; total cost £800, of which I propose the Associated Chambers should bear their share, *viz.*, £400.

Then there is the question what books should be included in the book cases and what volumes you would like to exhibit of Indian trade, etc. I have asked Freke by this mail (see attached copy of letter) whether he can arrange for the volumes, charts, maps, etc., and I should, of course, have to ask you to do the same, at the expense of the Chambers, outside that total of furnishing and supervision charge of £400.

Do you agree to co-operate on these lines? I do not think the cost of equipment and supervision is exorbitant, and I think you will get good value for your money. I will, of course, be delighted to help in any way I can in seeing that your stall is properly rigged up and attended to. In fact, I think the simplest plan would be if you could have (supposing you fall in with the scheme) the books, charts, &c., consigned to me here.

If by any chance Freke is in Bombay when this arrives, he might talk the matter over with you and if you both agree, you might send me a joint cable to this effect, and I shall fire ahead.

I am sorry to be writing this when you must be in full swing with the arrangements for the meeting of the Associated Chamber; but after all, all that is required at the moment is a decision whether you are prepared to co-operate.

Dated the 14th November 1923.

**From the Indian Trade Commissioner, London, to the
Director-General of Commercial Intelligence, Calcutta.**

I have been meaning for some time past to write and tell you what we are doing in regard to a Commercial Intelligence Stall at the British Empire Exhibition. I have been in communication with Howard's, the Government timber agents, for some time past, with a view to furnishing the stall entirely with Indian timbers. I have at last got a plan and estimate and propose to work on the following lines—

I dare say Carey told you that the Associated Chambers of Commerce think of arranging for a stall. It occurred to Kendall and myself that the best plan would be, in the interests of economy, to amalgamate to some extent the Associated Chamber's stall with that of the Commercial Intelligence Department. The two stalls will really be separate, but there will be no partition between them, so that one supervisor would look after both. We shall want an intelligent man, and I estimate his cost at £400 for the six months; out of this he will have to meet his own incidental expenses such as railway fares, etc., and also the cost of an assistant or messenger if he requires one. That is to say, the cost of supervision to the Associated Chambers and the Commercial Intelligence Department will be £200 each for the whole period.

Now, with regard to furniture, Howard's are prepared to lay down block flooring of Gurjan wood; to provide reading tables and chairs and book-cases; and to finish off the stall with a canvas backing and pillars; all at a cost of £400. That means an expenditure of £200 each for the Commercial Intelligence Department and the Associated Chambers of Commerce.

The total expenditure therefore on fitting up each stall and supervision (by the way, each stall will measure about 15' x 14') will be £400. You will be very relieved to hear that so far as the Commercial Intelligence Department is concerned Kendall will be able to meet this sum from his budget. I am writing separately by this mail to the Associated Chambers of Commerce asking if they are prepared to meet their share, and I am sending a copy of the letter to Carey.

The chief point that I want to write to you about is this: can you please give me the fullest possible help in regard to the exhibits? I already have a few coloured posters which were prepared for the Trafalgar Square demonstration last May, and which contain India's principal trade statistics. They will be useful but they will not be sufficient, of course, and I am afraid I cannot guarantee further expen-

diture at this end beyond the £400 now earmarked. What I should like to suggest is:—

- (a) that you should send me for our book shelves in the stall and for reference by readers and replies to enquiries, the latest one or the last two of each of the publications of the Departments of Commercial Intelligence and Statistics; including also such trade statistics of the Local Governments and Customs Houses as you think desirable. The essential point is that they should be absolutely up-to-date at the beginning of the show and maintained up-to-date so far as possible. I should like the volumes consigned to me here, by goods, and the sooner this is done the better as they take a long time in transit; and supplementary volumes sent to me by parcel post as they appear;
- (b) that you should also prepare and send to me in the same way any charts, maps, diagrams, etc., showing India's trade, industrial, railway and other developments. I think as much of this as possible should be done by means of figures of different sizes to illustrate progress, *e.g.*, from 1902-22; and as brightly coloured as possible. I could have a few of these done at this end if you wish on figures supplied by you. A small and a large railway engine, for example, to illustrate expansion of railways; a small and a large Indian cheroot; a small and a large bag of grain; and population to be illustrated similarly by representations of Indians.
- (c) Then there should be the Indian Trade Journal, the Bombay Labour Gazette and a few other periodicals kept up-to-date on the reading tables.
- (d) that you should do your best to provide a suitable large scale map indicating, if possible, major industries.

There is one feature which I propose to include in the furniture, *viz.*, a stand from which would hang swinging frames each of which would contain behind glass a copy of each of the charts which Mr. Butler prepares, rather like the way in which the collection of postage stamps is displayed in the British Museum.

I do not know if you intend to be in Bombay for the meeting of the Associated Chambers. If you are, you might care to discuss this scheme with Nelson or Carey. I am, as I told you, writing by this mail to Nelson telling him what we are doing, and asking him if the Associated Chambers will bear their share, *viz.*, £400. Meanwhile I should be so grateful if you could let me have a line (or better still a cable) by return, saying if you agree to co-operate on these lines, and I would then fire ahead with my arrangements for the stalls.

No. 2577-80 of the 14th December 1923.

**From the Chamber to the Associated Chambers of
Commerce of India and Ceylon, Bombay.**

I am directed to acknowledge the receipt of your letter No. 1-A.C., dated the 6th December 1923, and its accompaniments, with reference to the proposed participation of the Association in the arrangements in connection with the forthcoming British Empire Exhibition.

2. In reply I am to state that my Committee have carefully considered the suggestion, as set forth in the accompaniments to your letter. In the absence however of any clear indication of the gain which might reasonably be expected to accrue either to the Association or to its individual members or, indeed, through the latter to the firms ultimately concerned, in return for the proposed expenditure on the stall and the cost of its up-keep, etc., my Committee, while loath to discourage any attempt to foster the trade between India and other parts of the British Empire, are constrained to regard the expenditure of more than £400 involved as rather too great a strain on the resources of the Association. If, however, on the other hand an attempt were to be made to collect the amount required by means of a special *ad hoc* levy on the members of the Association, my Committee feel that, on the facts set forth in Mr. Lindsay's letter alone, the response would be so problematical as scarcely to justify any commitment being made at the present juncture, and in that connection I am to observe that it appears from Mr. Lindsay's letter that an immediate guarantee is required.

3. My Committee are accordingly of opinion that viewed from either standpoint financial considerations, in the absence of any definite suggestions in regard to the advantages to be gained, may reasonably be urged as an excuse for the Association's inability to avail itself of Mr. Lindsay's kind offer.

No. C.-48-A.C. of the 18th January 1924.

**From the Associated Chambers of Commerce of India and
Ceylon, Calcutta, to the Chamber.**

I am directed to refer to Mr. Sayer's circular No. 1.A.C., dated 6th December 1923, on the subject of the proposed representation of the Association at the British Empire Exhibition.

2. The general feeling of the Chambers, as expressed in the replies received is not, it appears, in favour of a representation. The Chambers are not clear as to what particular advantage would result from the proposal; nor do they see their way to provide the funds required. With this view the President of the Association is in agreement and, under his instructions, I have informed Mr. H. A. F. Lindsay, the Indian Trade Commissioner in London, accordingly. I have also pointed out to Mr. Lindsay that the Association has no funds apart from a small cash balance; and that it is not certain that a special levy for the object in view would meet with general support. At the same time I have expressed to him the cordial thanks of the Chambers for the trouble that he has taken in the matter, and for the suggestions that he has been so good as to put forward.

APPENDIX Z-1.

ALL-INDIA CROP FORECASTS.

No. 841-S. of the 30th January 1923.

**From the Director-General of Observatories, Simla, to the
Chamber.**

I have the honour to inform you that the Government of India have decided to abolish the free distribution list of the Indian Daily Weather Report from the 1st April 1923. Accordingly the Report will not be supplied to you on and after that date unless a subscription is received from you

in this office *in advance* for the period for which the Report is required.

2. The rate of subscription to the Report is Rs. 3 a month or Rs. 36 a year.

No. 367-25 of the 14th February, 1923.

**From the Chamber to The Director-General of
Observatories, Simla.**

I have the honour to acknowledge the receipt of your letter, No. C. 41-S, dated the 30th January 1923, in which you state that the Government of India have decided to abolish the free distribution of the Indian Daily Weather Report from the 1st April 1923.

In reply I am to inform you that your letter has been noted by my Committee and that this Chamber does not propose to subscribe to the report.

No. 602 of the 27th January 1923.

**From the Director-General of Commercial Intelligence,
Calcutta, to the Chamber.**

I have the honour to say that after a careful examination of the question the Government of India have decided, in the interests of economy and efficiency, to discontinue the publication of the all-India crop forecast as separate slips and to publish them only in the *Indian Trade Journal*. It has been decided also to publish provincial forecasts in the same publication as soon as received and in advance of the publication of the all-India forecasts. By this means information of importance will frequently be available to parties interested before the collection of the material for the all-India forecasts has been completed, and the present duplication of publication of the latter both in the Journal and as separate slips will be avoided.

2. In case you do not read the Journal at present, I would add that it is obtainable from the Superintendent of Govern-

ment Printing, India, 8, Hastings Street, Calcutta, for an annual subscription of Rs. 13 including postage.

No. 259-96 of the 1st February 1923.

From the Chamber to the Director General of Commercial Intelligence, Calcutta.

I have the honour to acknowledge with thanks the receipt of your letter, No. 602, dated the 27th January 1923, in which you state that the Government of India has decided to discontinue the publication of the all-India Crop forecasts as separate slips and to publish them only in the *Indian Trade Journal*.

In reply I am to state that the aforesaid change has been noted and I am to thank you for giving particulars of the *Indian Trade Journal* of which as, a matter of fact, this Chamber already receives copies.

Dated the 12th February 1923.

**From Messrs. Forbes, Forbes, Campbell and Co., Ltd.,
Bombay, to the Chamber.**

We have been informed by the Director of Statistics (on behalf of the Director General of Commercial Intelligence) that in future all Crop forecasts issued by his Department will be published in the *Indian Trade Journal*, which is published every Thursday, and not as separate slips.

In our opinion this is a most inconvenient arrangement to those interested in the cotton trade. We, ourselves, for example send these cotton forecasts to all our agents and connections and it seems a very cumbersome arrangement that we should have to buy numbers of Trade Journals in order to obtain cotton statistics.

We should be glad if your Committee would take the matter up.

No. 437-96 of the 22nd February 1923.

**From the Chamber to Messrs. Forbes, Forbes, Campbell
& Co., Ltd., Bombay.**

I am to acknowledge the receipt of your letter of the 12th February 1923 in regard to the intention of the Director-General of Commercial Intelligence to publish in future all crop forecasts in the *Indian Trade Journal* and not as separate slips.

2. The matter has been considered by my Committee who hesitate to discourage the Government of India in any reasonable attempts at economy and moreover are of opinion that since the provincial as well as the all-India crop forecasts are now regularly published in the *Indian Trade Journal* the publication of the separate slips is not a necessity for the cotton trade.

3. In view, however, of the fact that separate issues of all-India forecasts are a great convenience to all merchants interested in the cotton trade they are of opinion that it should be represented to Government that these separate publications should be continued and issued to merchants who desire them at such extra charge as may be justified by the expense of printing. I am to say that the necessary steps are accordingly being taken to forward this representation to the proper quarters.

No. 447-96 of the 22nd February 1923.

**From the Chamber to the Director-General of Commercial
Intelligence, Calcutta.**

I have the honour to refer to your letter, No. 602, dated the 27th January 1923, on the subject of the discontinuance of the publication of the all-India forecasts as separate slips which was acknowledged in my letter No. 259-96, dated the 1st February 1923.

2. It has since been represented to my Committee that the discontinuance of these separate slips will constitute a great

inconvenience to the cotton trade and that their separate publication should be continued.

3. My Committee, however, in view of the reasons of economy which have led the Government to publish the forecasts in the *Indian Trade Journal*, do not feel justified in urging a return to the previous method of issue, but they consider that merchants who are willing to subscribe to the separate issue of the forecasts at such cost as may be justified by the expense of printing such should be afforded facilities for doing so.

4. Accordingly, I am to request you to give this suggestion your immediate consideration and, if the Government of India are willing to issue the separate slips on the lines indicated, to inform me of the cost at which they will be available. Upon receipt of such particulars, they will be circulated to the members of the Chamber and a list of those who wish to subscribe will be forwarded to you.

Dated the 2nd March 1923.

**From The Director-General of Commercial Intelligence,
Calcutta, to the Chamber.**

Crop Forecasts.

I have the honour to acknowledge receipt of your letter No. 447-96, dated the 22nd February 1923. In this connection I attach a copy of a letter which I have written to the Karachi Chamber of Commerce, as the result of discussion there, and to enquire whether similar arrangement would meet the requirements of your Chamber. My suggestion, put briefly, is that I should telegraph such information as your Chamber consider of primary importance and that you should arrange to circulate that information to members interested. This will give your members the earliest possible information and I should distinctly prefer to telegraph to each Chamber the minimum of information which they consider of primary importance rather than to revive the printing of separate slips in the cases of just one or two of the crop forecasts.

Dated the 2nd March 1923.

**From the Director General of Commercial Intelligence
Calcutta, to the Karachi Chamber.**

Karachi.

Crop Forecasts.

I have the honour to invite a reference to my letter No. 600-927, dated the 27th January 1923. I have since had the benefit of a discussion with your President and other members of the committee regarding their suggestion that, in view of the fact that the post from Calcutta to Karachi takes about five days, a summary of the crop forecasts in which they are interested should be telegraphed to your Chamber. And I write to say that if your committee will specify which crop forecasts and exactly how much information from each they would like telegraphed I shall be very glad to make arrangements accordingly on the understanding that your Chamber will meet the cost of such telegrams.

No. 754-96 of the 22nd March 1923.

**From the Chamber to the Director-General of Commercial
Intelligence, Calcutta.**

I have the honour to acknowledge the receipt of your letter, dated the 2nd March 1923, and its accompaniment, on the subject of the issue of crop forecasts.

2. In reply I am to inform you that the crop forecasts are required mainly for the two purposes—

- (1) of supplying an early, accurate and detailed crop forecast, and
- (2) of furnishing a cheap and convenient means whereby firms can distribute crop forecasts to their branches and customers.

and I am to state that, in my Committee's opinion, neither the inclusion of the forecasts in the *Indian Trade Journal* nor the telegraphic summaries suggested in your letter under reply, would satisfactorily serve either of the above purposes.

3. With regard to the inclusion of the forecasts in the *Indian Trade Journal* I am to point out first, that it will

often result in the issue of a forecast being delayed and secondly that the Trade Journal is too costly and cumbersome to distribute in the manner required ; and with regard to your proposal to telegraph a summary of the forecasts I am to state that, in my Committee's opinion, it will be impracticable to telegraph all the information required and impossible to telegraph the statistical tables and diagrams which form a very valuable part of the forecast.

4. I am, therefore, to state that my Committee desire that the issue of the forecasts as separate slips be re-continued, if necessary at such increased charge as may be required to recoup the extra cost of so issuing the forecasts.

5. Accordingly, I am to request you to give this matter your early consideration and, if the Government of India agree to the issue of the separate slips on the lines indicated above, to inform me of the cost at which the separate slips will be available in order that I may be in a position to inform the members of this Chamber accordingly, and ultimately to intimate to you the number and names of those who wish to subscribe.

No. 1336-96 of the 1st June 1923.

From the Chamber to the Director-General of Commercial Intelligence, Calcutta.

Crop Forecasts.

I have the honour to refer to the correspondence resting with my letter No. 754-96, dated the 22nd March 1923 on the subject noted above and to say that my Committee would be very pleased to know when you are likely to be in a position to reply to the points raised in my letter.

No. 8716 of the 13th July 1923.

From the Director-General of Commercial Intelligence, Calcutta, to the Chamber.

Crop Forecasts.

With reference to your letter No. 1336-96, dated the 1st June 1923, I would invite a reference to my letter No. 8624, dated

the 11th July and addressed to the Associated Chamber of Commerce of India and Ceylon. As that will have reached your hands already as Secretary to the Associated Chambers, I am not sending you a copy of it.

No. 735-A.C. of the 27th July 1923.

From the Associated Chambers of Commerce of India and Ceylon, Bombay, to the Chamber.

I am directed to hand you the accompanying copy of a letter No. 8624-A.S., dated the 11th July 1923, from the Director General of Commercial Intelligence, Calcutta, in which he sets out a scheme for the issue of the All-India Crop Forecasts as separate leaflets.

Up to the beginning of this year the forecasts were issued as separate leaflets but since then they have been published in the *Indian Trade Journal* only. Certain business firms have expressed a preference for the previous form of issue and the Director-General of Commercial intelligence now states that he is willing so to issue the forecasts if the cost is guaranteed by the Chambers of Commerce and other Trade Associations of India.

It will be observed that the Director-General desires the Chambers to reply to him direct but I am to say that the President would be very glad if you would kindly send me a copy of your letter to the Director-General on this subject, and if the members of your Chamber do not desire any copies of any of the forecasts I should also be glad to be informed accordingly.

No. 8624-A.S. of the 11th July 1923.

From the Director-General of Commercial Intelligence, Calcutta, to the Associated Chambers of Commerce of India and Ceylon, Bombay.

Crop Forecasts.

I have the honour to address you in connection with my letter of the 27th January last.

In order to make the subject clear I will first of all outline briefly the general position. As you are aware, the budget allotment for Government of India statistics has been cut down, in accordance with the recommendation of the Incheape Committee, from Rs. 1,64,000 to Rs. 93,000. In order to meet this cut, drastic retrenchments in every direction have been necessary, the staff employed on statistical work has been considerably reduced and every effort is being made to put all statistical publications as nearly as possible on to a paying basis. As regards publications, the Government of India are concentrating for the most part on the Sea-borne Trade and Statistical Abstracts and the Indian Trade Journal, the latter being utilised for the publication of miscellaneous and occasional statistical information including the crop forecasts.

A certain number of business firms have stated that publication of the crop forecasts as separate leaflets is more convenient to them than publication in the Journal, and the Government of India are quite willing to meet this demand provided that the cost of the forecasts including printing and postage is entirely covered by subscriptions of which payment for the next three years is guaranteed by your Chamber or other recognised Trade Associations. In the second enclosure to this letter I have detailed the cost of each set of forecasts and I would request you kindly to let me know for what amounts, in each case, your Chamber is prepared to be responsible. If your constituent Chambers will send me lists of members with their addresses and the names of the crop forecasts they require, leaflets will be posted direct to the firms as soon as they are printed. In the event of the sum-total of the guarantees offered for any set of forecasts by the various bodies addressed exceeding the cost mentioned in the enclosure all guarantees will be reduced proportionately, but arrangements will not be made for the supply of any leaflets for which adequate guarantees for the next three years are not forthcoming. Subscriptions will be accepted for complete sets of forecasts for each crop and will be payable annually in advance.

I would add that any firms who apply to me direct for the supply of these leaflets will be referred to their Chambers or Trade Associations. If they are not members of such a body, it is proposed to charge them a considerably higher rate of subscription than that payable by members of guarantor bodies.

I attach also, for your information, a list of the other bodies whom I have addressed on this subject.

CROP FORECAST COSTS.

No. of Forecasts per Year.	Crop.	Cost in Rupees per Year.
		Rs.
5	Wheat.. ..	650
5	Cotton.. ..	600
3	Rice	350
4	Sesamum	350
3	Winter Oilseeds	350
3	Sugarcane	250
2	Indigo.. ..	200
2	Groundnut	150
	Total Rs. ..	2,900 per annum.

NOTE.—The above figures cover any number of copies not exceeding five hundred in each case. But to each figure should be added cost of postage according to the number of copies supplied.

*List of Associations, etc., addressed by the Director-General of
Commercial Intelligence.*

1. The Secretary, Associated Chambers of Commerce of India and Ceylon, Graham's building, Fort, Bombay.
2. The Secretary, Indian Merchants' Chamber, Shale Building, 20, Bank Street, Bombay.
3. The Secretary, Southern Indian Chamber of Commerce, Indian Chamber Buildings, North Beach, Madras.
4. The Secretary, United Provinces Chamber of Commerce, Cawnpore.
5. The Secretary, Bengal National Chamber of Commerce, 7, Swallow Lane, Calcutta.
6. The Secretary, Marwari Chamber of Commerce, 203, Harrison Road, Calcutta.
7. The Secretary, Godavari Chamber of Commerce, Cocanada.
8. The Secretary, Bombay Presidency Trades Association, 13-15, Tamarind Lane, Fort, Bombay.
9. The Secretary, Bombay Cotton Trade Association, Central Bank Buildings, Bombay.

10. The Secretary, Indian Sugar Producer's Association, Cawnpore.
11. The Secretary, United Planters' Association of South India, Coimbatore.
12. The Secretary, Calcutta Trades Association, Dalhousie Institute, Dalhousie Square, Calcutta.
13. The Secretary, Madras Trades Association, 11, Narsingapuram Street, Mount Road, Madras.
14. The Secretary, Rangoon Trades Association, 70, Phayre Street, Rangoon.
15. The Secretary, Bihar Planters' Association, Mozafferpore.
16. The Secretary, Calcutta Wheat and Seed Trades Association, Royal Exchange, Calcutta.
17. The Secretary, Bombay Millowners' Association, 50, Graham's Building, Parsi Bazar Street, Bombay.
18. The Secretary, Grain Merchants' Association, 262, Masjid Bunder Road, Mandvi, Bombay.
19. The Secretary, Ahmedabad Millowners' Association, Ahmedabad.
20. The Secretary, Indian Indigo Association, Royal Exchange, Calcutta.

No. 1881-96 of the 15th August 1923.

From the Chamber, to the Director-General of Commercial Intelligence, Calcutta.

Crop Forecasts.

I have the honour to refer to your letter, No. 8624-A.S., dated the 11th July 1923, addressed to the Secretary to the Associated Chambers of Commerce of India and Ceylon, who forwarded a copy to me with the request that I should reply direct to you.

2. In reply I am to inform you that the number of the forecasts that have been applied for by members of the Chamber, is as follows :—

Wheat	..	..	22	Sesamum	..	..	22
Cotton	..	..	77	Winter Oil-seeds	..	..	29
Rice	..	..	14	Sugar-cane	..	..	11
Indigo	..	..	4	Goundnut	..	..	21
Total			..	200			

I attach a list * of the names and addresses of the firms together with the number of the different forecasts required by each.

3. With regard to the Chamber's guarantee towards the scheme outlined in your letter under reply I am to say that my Committee prefer not to fix it definitely at the present moment, they would rather wait until they have seen your reply to the suggestions put forward in the letter No. 738-A.C., dated the 9th August 1923, despatched to you by the Associated Chambers.

4. For your guidance, however, in proceeding with the scheme, I am to say that my Committee are prepared provisionally to guarantee Rs. 200 per annum, on the condition that the scheme will be arranged so that the Chamber can recover that amount by charging the firms according to the number of forecasts they take.

No. 1885-96 of the 17th August 1923.

**From the Chamber, to the Associated Chambers of
Commerce of India and Ceylon, Bombay.**

Crop Forecasts.

In reply to your letter, No. 735-A.C., dated the 27th July 1923, I am directed to hand you the attached copy of a letter, dated the 15th August 1923, which my Committee have addressed to the Director-General of Commercial Intelligence.

No. 9957-A. S. of the 22nd August 1923.

**From the Director-General of Commercial Intelligence,
Calcutta, to the Chamber.**

Crop Forecasts.

I have the honour to acknowledge receipt of your letter No. 1881-96, dated 15th August 1923 and to say that I have noted the names of the firms mentioned in the enclosure

* Not printed.

to your letter, together with the crop forecasts which they would like to receive as separate slips, if that system is introduced. The firms mentioned are known to me, but, in order to avoid any possibility of error, I should be glad if you would also send me their addresses.

With regard to your third paragraph, I would refer you to the last sentence of my letter No. 9655-A.S., dated 13th August and addressed to the Secretary, Associated Chambers of Commerce of India and Ceylon. I note that your Chamber is prepared to guarantee payment of Rs. 200 per annum, in return for the forecasts specified in your list. In view of the wording of the third paragraph of my letter, dated 11th July, may I take it that this is a guarantee of an annual payment for three years from the inception of the system, if introduced?

As regards the last sentence of your fourth paragraph, I would add that the Government of India will leave it to the discretion of guarantor bodies to recover from their members such sums as they think fit.

No. 1935-96 of the 27th August 1923.

From the Chamber, to the Director-General of Commercial Intelligence, Calcutta.

Crop Forecasts.

I have the honour to acknowledge the receipt of your letter No. 9957, A.S., dated the 22nd August 1923.

2. In reply I attach a list giving the Post Box Numbers of the firms mentioned in the accompaniment to my letter No. 1881-96, dated the 15th August 1923. Their addresses are all "Fort, Bombay."

3. In reply to the second paragraph of your letter, I am to say the guarantee mentioned in my letter No. 1881-96 is in accordance with the scheme set out in your letter No. 8624-A.S., dated 11th July 1923, viz., for three years from the beginning of the system.

No. 848-A.C. of the 13th November 1923.

From the Associated Chambers of Commerce, of India and Ceylon, Bombay, to the Chamber.

With reference to the Acting Secretary's letter, No. 735-A.C., dated the 27th July 1923, covering a copy of a letter No. 8624-A.S., dated the 11th July. 1923, from the Director-General of Commercial Intelligence, giving particulars of a scheme for the issue of the all-India crop forecasts in the form of separate slips, I am now instructed to hand you the enclosed copy of a further letter from the Director-General of Commercial Intelligence in which he states that the scheme will not be proceeded with.

2. Particulars of two other schemes in connection with the crop forecasts will be found in the second and third paragraphs of the enclosed letter. I am to request that any Chamber which desires to participate in these schemes will communicate direct with the Director-General.

No. 12114 of the 2nd November 1923.

From the Director-General of Commercial Intelligence, Calcutta, to the Associated Chambers of Commerce of India and Ceylon, Bombay.

I have the honour to acknowledge the receipt of your letter, No. 784-A.C., dated the 5th October 1923, in which you inform me that the offer of the Government of India, communicated in my letter, N. 8624 A. S. of the 11th July 1923, to provide copies of the all-India crop forecasts as separate leaflets provided that guarantees are forthcoming to cover their cost, as detailed in that letter, has not been taken up by your Association or its constituent Chambers. As other Trade Associations addressed are similarly not prepared to take it up, the forecasts will continue to be published as at present, namely, in the Indian Trade Journal and the press.

2. I would add, however, that I am prepared to send telegrams to any of your constituent chambers giving the

following details of any crop forecasts in which they are interested, provided that they will meet the telegraphic charges incurred :—

Area	..	$\left\{ \begin{array}{l} \text{Current year} \\ \text{Previous year} \\ \text{Five years' average} \end{array} \right.$	
Yield	..	$\left\{ \begin{array}{l} \text{Current year} \\ \text{Previous year} \\ \text{Five years' average} \end{array} \right.$	(when available).

Such telegrams will be despatched as soon as the forecast to which they relate has been published.

3. It may also be of interest to members of your Chambers to know that special arrangements have been made for the supply separately of the particular numbers of the Journal in which all-India crop forecasts appear. As you are aware, the annual subscription to the Journal, inclusive of postage, is Rs. 13 in India or Rs. 18 overseas, and separate copies are obtainable at a cost of four annas *plus* postage (or one rupee *plus* postage for back numbers). If any firms or individuals which are to receive only those issues of the Journal which contain particular crop forecasts, their names will be noted for the supply of these issues as soon as they are published, provided that their cost has been deposited in advance. It is desirable, however, that firms or individuals who decide to avail themselves of this arrangement should realise that there appears in one or two issues of the Journal prior to the publication of the all-India forecast corresponding forecasts of provinces and Indian States. It frequently happens that although the all-India forecast is held up for the figures from certain provinces or States the individual forecasts which appear in the earlier issue give a valuable indication to the total figure for the whole of India. And I think that firms who deal extensively in any of the commodities for which all-India forecasts are compiled will find it to their advantage to take the Journal regularly in order to receive this earlier information, though it may serve their purpose to put their names on the lists for the supply only of issues containing all-India forecasts for the additional copies which they require for distribution to branches or correspondents.

APPENDIX Z-2.

BOMBAY DAILY WEATHER REPORT.

No. 9969-5 of the 15th December 1923.

From the Director-General of Observatories, Simla, to the Chamber.

As a measure of retrenchment the Government of India have decided to stop the publication of the Bombay Daily Weather Report for the six dry months from November to April each year thereby effecting a saving of about Rs. 18,000 annually. This decision will affect the publication of the half-weekly weather and crop reports which are now supplied telegraphically from the 1st July to the 15th February. I shall therefore obliged if you will kindly issue instructions to the 20 stations to cease sending these telegrams from the 1st January to the 15th February 1923 and thereafter from the 1st November to the 15th February each year.

2. The Meteorologist, Bombay, has been asked to take steps for the discontinuance of the telegraphic half-weekly rainfall reports from the ten stations for the period of six months mentioned above.

3. I have also been instructed by the Government of India to address you in regard to the amount of contribution now made by you for the Bombay Daily Weather Report and half-weekly crop and weather telegrams. The Chamber pays us Rs. 125 a month for the 140 copies of the report and Rs. 1,020 a year for the half-weekly crop reports. As far as the weather report is concerned the Government of India have decided to raise its subscription from Rs. 2 to Rs. 3-8 a month for each copy from the 1st of April 1923, this being the actual cost of paper, printing and delivery ; I would therefore request the Chamber to pay at this rate from the 1st April next. The crop reports cost us now over Rs. 2,800, made up of about Rs. 1,700 for telegrams and Rs. 1,100 for staff, etc., under the new arrangement they will cost us about Rs. 1,500,

Since the crop reports are published directly on behalf of the Chamber solely for their use, I am instructed to ask the Chamber to bear the total cost.

No. 144-25 of the 18th January 1923.

**From the Chamber, to the Director-General of
Observatories, Simla.**

I am directed to acknowledge the receipt of your letter, No. 9969-S., dated the 15th December 1922, on the subject of the Bombay Daily Weather Report.

2. The proposals set forth in your letter, as understood by my Committee are:—

- (a) To issue the Daily Weather Report only during the wet season of the year, *viz.*, from the beginning of May to the end of October.
- (b) To issue the Bi-weekly Weather and Crop Reports only from the beginning of July to the end of October.
- (c) To charge Rs. 3-8-0 per month per copy for the Daily Report.
- (d) To charge this Chamber Rs. 1,500 per year for the insertion of the Bi-weekly Weather and Crop Reports in the Daily Reports.

3. In the first place I am to state that my Committee consider that longer notice should have been given before these proposals were initiated on the first of this month, and I may add that your letter scarcely arrived in time for me to issue the necessary instructions to the twenty stations that send the Weather and Crop telegrams.

4. My Committee thoroughly appreciate the reasons of economy that have led the Government of India to propose the curtailment of the Weather Reports, but in this case they do not consider that the economy that may be effected will compensate for the loss to the commercial community that will undoubtedly result from the proposed restricted issue of the Weather Reports.

5. Accurate Weather and Crop Reports are of the utmost importance to both Merchants and Shipping Companies; this is so not only during the rainy season but also during the so-called dry months from November to April, during which period considerable quantities of rain fall in those parts of India about which it is essential to have accurate information regarding the weather and the crops. And in any case, apart from the question of rain, it is most important to have Crop Reports during the period for which the Bi-weekly Crop Reports have latterly been issued, namely, from the beginning of July to the middle of February.

6. For the foregoing reasons my Committee press most strongly for the continuation of both the reports as they have been issued during recent years; if the Government of India feel that it is really necessary in the interests of economy to restrict the issue of the reports, then my Committee consider that the three months from the beginning of February to the end of April is the longest and the only period during which the reports should be discontinued for any reason whatsoever.

7. My Committee observe from your letter that the proposed increase in the subscription to the Daily Report, namely, from Rs. 2 to Rs. 3-8-0 per month per copy will cover the cost of paper, printing and delivery for six months of the year so presumably the same rate of subscription would cover the cost of issuing the report for the whole of the year or for nine months; if this is so, no extra expense will be incurred in issuing the report for the full year or for nine months instead of for the six months as proposed by the Government of India.

8. With regard to the Bi-weekly Weather and Crop Reports, my Committee, as above stated, consider these to be of much importance that the question of the cost involved in their publication is a secondary consideration and they are prepared, if necessary, to pay considerably more for these reports than they do at present. In this connection they note that the cost of the Bi-weekly Reports is Rs. 2,800 per year for the full period from the 1st July to the 15th February if the issue of the Daily Reports were restricted to the nine

months from May to January inclusive they presume the cost of the Bi-weekly Reports would be slightly under that sum. I shall be pleased if you will inform me whether these figures are correct.

9. With reference to the question as to how much this Chamber should pay for the insertion of the Bi-weekly Reports I am, however, to refer you to the last sentence of your letter under reply where you state that "since the Crop Reports are published directly on behalf of the Chamber solely for their use, I am instructed to ask the Chamber to bear the total cost" and to observe that previous to 1889 the Crop Reports were collected and printed by this Chamber and issued to its members, but in that year, in order that the general commercial public might obtain the benefit of these reports, the Chamber agreed to their being inserted in the Daily Weather Report issued by the Government, the Chamber still paying the cost of collection and printing. In view of these facts my Committee take exception to your remark that the Crop Reports are issued solely for the use of the Chamber. Moreover the Crop Reports are of interest and value to almost all of the subscribers to the Daily Reports and if the Chamber were to revert to its previous practice of issuing the Crop Reports as a separate publication, my Committee have reason to believe that the circulation of the Daily Weather Report would appreciably decrease with the result that the Government of India would find it still more difficult to recoup the over-head charges of that publication.

No. 1104-S. of the 7th February 1923.

From the Director-General of Observatories, Simla to the Chamber.

I thank you for your letter No. 144-25, dated the 18th January 1923, which explains the carefully considered opinions of your Committee regarding the changes recently made in the publication of the Bombay Daily Weather Report.

2. I regret that longer notice could not be given to your Committee before the introduction of the changes, but I trust they will recognise that this was inevitable in order to

secure the savings which I was ordered to effect during the current financial year.

3. In view of several sentences in your letter it appears to be necessary to explain at some length the various items of expenditure incurred in connection with the Bombay Daily Weather Report. As previously stated there are printing, paper and delivery charges, which are covered by monthly rate of subscription of Rs. 3-8. It will readily be understood that these charges vary almost proportionately with the circulation, and would still be recovered in subscriptions even if an appreciable decrease in circulation should occur. There are also the charges incurred in connection with the publication of the Bi-weekly Crop and Weather Report, which during the past year or two have amounted to Rs. 2,800 annually. The remainder of the expenditure which, grouped together, may be termed 'departmental charges' includes the cost of telegrams and establishment and various smaller miscellaneous charges, the whole forming the larger part of the expenditure of the Bombay Meteorological Office; I omit considerations of the cost of the maintenance of observatories and of allowances to observers because these would be paid by the department even if the Bombay Daily Weather Report were abolished, since the stations would continue to report to Simla. The departmental charges amount to about Rs. 38,000 annually which is equivalent to a monthly subscription rate of about Rs. 8 a month, calculated on the present circulation of the report. The Government of India, urged by the present extreme necessity for economy, is now unwilling to bear the whole of this charge and I have, therefore, been compelled to restrict the period of publication of the report. The only condition which is likely to lead the Government of India to alter its decision is a guarantee from some outside source of approximately Rs. 14,000 annually, which is roughly the amount saved by curtailing the publication to six months. In this connection may I remind you that about four years ago I appealed to the Bombay Chamber in the friendliest manner to pay the actual cost of the crop reports and of printing and delivery of the weather reports which we provide for them; I did not ask the Chamber to contribute anything towards the upkeep of the department, (i.e., to the departmental charges). As they did not see their way to

granting that reasonable request it seemed to me useless to ask them to make an effective contribution towards maintaining the daily weather report during the dry time of the year in the Bombay Presidency.

4. From your letter it would appear that the reports issued by the Simla Office have not been taken into consideration by your Committee and I would therefore ask you to place the following facts before them:—The Daily Telegraphic Weather Summary, which is issued from Simla and arrives in Bombay daily at 14 hours, gives a general description of the rainfall throughout the country and is, for areas such as the Punjab and United Provinces, based upon much more complete information than is provided in the Bombay Daily Weather Report. Also the Indian Daily Weather Report delivered in Bombay three days after date contains detailed information for those who desire it: a copy of a recent Indian Daily Weather Report is enclosed for the information of your Committee. I feel that a consideration of all these facts may cause your Committee to modify its recommendations.

5. Turning now to the Bi-weekly Crop and Weather Report I regret that the members of your Committee have been inconvenienced by its discontinuance during the past month. With regard to the remark made by me to which your Committee have taken exception I need hardly explain that I had no intention of belittling the public spirit of the Chamber; but I intended to convey the fact that the provision of such information lies entirely outside the province of this department, and that the reports were published in the Bombay Daily Weather Report simply because the Chamber paid for them; we are not justified in competing with the departments of agriculture and industry by publishing material which they reckon to give to the public. You enquire the cost of the crop report for the period July to January; it would amount to Rs. 2,600 excluding the charges for printing, etc., which are covered by subscriptions. But, as now arranged, the Daily Weather Report will not be printed from November to April and what will be the arrangements for the issue of the Bi-weekly Weather Report during these months is not clear at present. It is certain, however, that the Government of

India will not allow this department to bear any of the charges connected with them. I would suggest reversion to the old arrangement by which the Chamber printed these reports through the year and the publications of this department were confined to their true sphere.

No. 439-25 of the 22nd February, 1923.

**From the Chamber, to the Director-General of Observatories,
Simla.**

I have the honour to acknowledge the receipt of your letter, No. 1104-S, dated the 7th February 1923, on the subject of the Bombay Daily Weather Report.

2. At the outset I am to state that my Committee greatly appreciate the careful consideration which you have given to their letter, No. 144-25, dated the 18th January 1923, on this subject and the information contained in your letter regarding the cost of the publication in question.

3. My Committee are still of the opinion expressed in their previous reference regarding the inconvenience that will be caused by the restricted issue of the Reports in question, but, in view of the facts regarding the Daily Telegraphic Summary and the all-India Daily Report set out in your letter, and of the reasons of economy which have led to the restricted issue of the Report, I am to state that my Committee have decided not to press this question any further.

No. 2912-S of the 11th April 1923.

**From the Offg. Director-General of Observatories, Simla,
to the Chamber.**

The publication of the Bombay Daily Weather Report will begin from the 1st May 1923, for a period of six months and I shall be glad to know the number of copies of the report required by the members of your Chamber at the cost of Rs. 3-8 a month per subscriber. The information is needed to enable the Meteorologist, Bombay, to make

arrangements in good time for printing and delivering the report.

2. If it is desired to print weather and crop reports during the period of publication of the Bombay Daily Weather Report on the terms mentioned in paragraph 3 of my letter No. 9969-S, dated the 15th December, 1922, I would ask you kindly to arrange for the reports to be sent, as usual, to the Meteorologist, Bombay, from the 1st July 1923. That Officer will arrange for bi-weekly rainfall reports from the usual ten stations on hearing from you.

3. I shall be obliged if you will kindly send your reply direct to the Meteorologist, Bombay, and forward a copy to this office for information. I am sending a copy of this letter to the Meteorologist, Bombay, for information and necessary action.

No. 954-25 of the 14th April, 1923.

From the Chamber to The Meteorologist, Bombay.

I have received a letter (No. 2912-S, dated Simla, the 11th April 1923) from the Officiating Director-General of Observatories, in which he requests me to inform him of the number of copies of the Bombay Daily Weather Report that will be required by the members of this Chamber when the Report re-commences issue on the 1st May 1923; the information being required to enable you to make arrangements for the printing and delivery.

2. The Officiating Director-General also requests me, in the event of my Committee's desiring that the Half-Weekly Weather and Crop Reports should be inserted in the Daily Report on the terms already indicated, to make arrangements for the forwarding of the half-weekly reports to you in the usual manner from the 1st July 1923, and he adds that you will arrange for the half-weekly rainfall reports from the usual ten stations.

3. In the conclusion of his letter the Officiating Director-General requests me to reply direct to you; accordingly I beg to inform you that all members of the Chamber had already

been asked to inform me before the 20th April if they require copies of the Report. From the number of replies received up to-date I think that approximately 50 copies will be required, but I will let you know the exact number and the addresses of the firms that require them, soon after the 20th instant.

4. I am also to state that my Committee desire the Half-weekly Weather and Crop Report to be published in the Daily Report on the terms already indicated by the Director-General of Observatories, which they understand to be that the Half-Weekly Report shall be published from the beginning of July to the end of October each year and that this Chamber shall contribute annually towards the cost thereof the sum of Rs. 1,500.

5. I shall, therefore, make arrangements for the half-weekly weather and crop reports to be sent to you from the 1st July 1923 and I trust that you will make the other arrangements for the issue of the Half-Weekly Reports.

No. 549/B. of the 18th April 1923.

From the Meteorologist, Bombay, to the Chamber.

I have the honour to inform you that under orders from the Government of India this office will be amalgamated with the office of the Director, Bombay and Alibag Observatories, Colaba, Bombay No. 5, with effect from the 23rd April 1923, and to request therefore that all future correspondence intended for the Meteorologist, Bombay, which cannot reach him before the 21st instant, may please be addressed to the Director of Observatories, Colaba, Bombay.

No. 387 of the 3rd May 1923.

From the Meteorologist, Bombay, to the Chamber.

I have the honour to state that it is the intention of the Director-General of Observatories that from the 21st April 1923, the date on which the Bombay Meteorological Office was amalgamated with the Colaba Observatory by orders of Government of India, the Officer in charge of the amalgamated office should be designated "Meteorologist,

Bombay," and that the previous designation "Director, Bombay and Alibag Observatories" should disappear. All letters intended for me should therefore bear the address "Meteorologist, Colaba, Bombay."

No. G.(M).-15 of the 21st May 1923.

From the Government of India (Department of Industries and Labour), Simla, to the Chamber.

At a recent interview with the Hon'ble Mr. Chadwick, Secretary to the Government of India, Department of Commerce, the Bombay Chamber of Commerce, represented that the Chamber had hitherto paid Rs. 1,500 a year for the Bombay Daily Weather Report but were now asked to pay Rs. 3,200 for only six months' supply. The Chamber considered that this was altogether a disproportionate increase in cost and therefore desired to have some explanation of the manner in which the figures was arrived at.

2. In reply I am directed to refer to the letter from the Director-General of Observatories, No. 1104-S, dated the 7th February 1923, from which the Chamber will observe that in view of the increase in the cost of paper, printing and delivery, the price of the Daily Weather Report has been raised in the case of all subscribers (including Government officials) from Rs. 2 to Rs. 3-8 per mensem. The demand for a similar charge for the supply made to the Chamber is therefore not unfair. It may be noted that the Chamber will only pay for the actual number of copies required by it and not a lump sum of Rs. 3,200 for the six months' supply as stated at the interview.

No. 1301-25 of the 28th May 1923.

**From the Chamber to the Government of India,
Department of Industries and Labour, Simla.**

I have the honour to acknowledge the receipt of your letter No. G. (M). 15, dated the 21st May 1923, on the subject of the price of the Bombay Daily Weather Report.

2. In reply I am to say that at the interview with the Hon'ble Mr. D. T. Chadwick it was pointed out that at the new rates of subscription the Chamber would have to pay Rs. 3,234 for 154 copies of the Report for six months and in addition has been called upon to pay Rs. 1,500 for the crop reports issued bi-weekly in the Daily Report, a total of Rs. 4,734, whereas at the old rates 154 copies of the report for the full year cost Rs. 1,500 and Rs. 1,020 was paid for the bi-weekly reports, a total of Rs. 2,520.

3. Thus the combined cost of 154 copies of the Daily Report and of the bi-weekly report has been enhanced from Rs. 2,520 to Rs. 4,734, an increase of nearly 100 per cent. and the report is now issued for only six months instead of twelve.

4. During previous years it was the practice of the Chamber to pay a lump sum for 154 copies and distribute them free to all members of the Chamber, and at the interview it was stated that it would now cost the Chamber Rs. 3,234 per annum to continue that practice.

In reply to the last sentence of your letter I am to say that it was always understood that the Chamber could purchase as many copies as required at the ordinary rate of subscription charged to the public.

5. In a letter from the Director-General of Observatories to the Chamber, No. 9969-S, dated the 15th December 1922, it is stated that the Rs. 1,500 per annum that the Chamber now pays for the insertion of the bi-weekly crop reports represents approximately the total cost of the bi-weekly reports. In this connection I am to explain that previous to 1889 the Crop Reports were collected and printed by this Chamber and issued to its members, but in that year, in order that the general commercial public might obtain the benefit of the reports, the Chamber agreed to their being inserted in the Daily Weather Report issued by the Government, the Chamber still paying the cost of collection and printing. I am also to state that there is good reason to believe that the circulation of the Daily Report is increased by the insertion of the bi-weekly reports and that therefore the difficulty of recouping

the overhead charges connected with the issue of the Daily Report is lightened thereby.

No. G. (M)-15 of the 11th June 1923.

From the Government of India (Department of Industries and Labour) Simla, to the Chamber.

Price of the Bombay Daily Weather Report.

I am directed to acknowledge the receipt of your letter No. 1301-25, dated the 28th May 1923 on the above subject.

REPORT FOR THE YEAR
1923

VOLUME II.

Documents and Statistics.

THE BUDGET.

Extract from the Proceedings of a Meeting of the Legislative Assembly held at Delhi, on Friday, 29th February 1924.

SPEECH OF THE FINANCE MEMBER INTRODUCING THE BUDGET FOR 1924-25.

Introductory.

SIR,—If precedent had been followed, I should not now be opening my Budget. It has been the practice in past years for the financial statement to be made on the morning of the 1st of March, and to be followed immediately by a motion for leave to introduce the Finance Bill. This year, I propose to introduce the Finance Bill on the 1st of March as usual; but I make my financial statement to-night out of regard for the convenience of almost every one concerned, except perhaps the Finance Member. The commercial community will be glad of the opportunity to study the budget announcements overnight instead of in the middle of a busy day; and I am also glad to be able to afford some slight relief to the devoted band of officials who, on past occasions, have been kept at work all night in order to bring a new financial statement safely into the world in the morning. I am told that a record is being created in the presentation of the Government of India's Budget on the 29th February. But the choice of February 29th has no significance except that it happens this year to be the day before the 1st of March. The suspicion that to-day was chosen in order to enable us to impose taxes, which are annual taxes, until the 29th February 1928, is, I hasten to assure the House, unfounded.

2. I had occasion a year ago to lament that I could not give exact figures for 1922-23 and had to be content with what I described as nothing more than a second guess, on the basis of nine or ten months' figures, of what the actual outturn would be of the Budget for the year then about to close. I had even better reason than I knew for this complaint. The figures which I then gave for 1922-23 showed revenue at a total of 121 crores and expenditure at a total of 138½ crores, leaving a deficit of 17½ crores. The actual figures show that I over-stated the deficit by no less than 2½ crores. Revenue amounted to 121·41 crores and expenditure to 136·43 crores, leaving a deficit of 15·02 crores. The improvement was mainly under the head of Military Expenditure, where, in addition to other minor improvements,

a sum of £800,000 provided as the Indian share of the cost of disbanding surplus troops, was not, in the end, utilised. In view of this important difference between the revised Budget figure, to which some prominence is given in the annual Budget Statement, and the actual outturn, which receives practically no publicity, there will be bound up and circulated with the Budget speech a comparative table showing the actual outturn for each of the last ten years, which will, I think, be convenient to those who desire to study our finances.

3. My inability to present anything more than a second guess is even more vexing this year than it was a year ago. Last year, unhappily, the only question was how large the actual deficit would be; this year it may well be that the progress of revenue and expenditure in the last two months of the year may make all the difference between a surplus and a deficit or ordinary revenue. In every year but two of the last ten years the final outturn of the year has proved more favourable than the revised budget estimates have indicated.

4. The Budget estimates as finally settled a year ago provided for a surplus of 81 lakhs. The estimated revenue amounted to 134·80 crores and the estimated expenditure to 134·09 crores. I warned the House more than once that neither on the revenue nor on the expenditure side could the figures in the Budget estimates be counted upon with any great assurance. The revenue figures were arrived at in a spirit of some optimism as to the prosperity of trade and commerce not altogether justified in the light of European conditions, while the expenditure figures assumed that we should succeed in introducing and giving full effect to retrenchments recommended by the Inchcape Committee with much greater rapidity than a cautious Finance Member could promise. The information available at the present date makes it clear that our revenue estimates were unduly sanguine. On the other hand, I am glad to be able to inform the House that we have succeeded in reducing expenditure to a figure considerably below the Budget estimate. The present indications are that the total revenue will amount to 129·52 crores as against an estimate of 134·80 crores and the total expenditure to 129·90 crores as against an estimate of 134·09 crores, leaving a deficit on ordinary revenue of 38 lakhs. I leave out of account a windfall, of which I shall have more to say later. I mention it here only in order to bring out the happy fact that, while the margin between ordinary revenue and expenditure, on the basis of our revised Budget, is so narrow as to make it impossible, till final figures are available, to say for certain whether there is a surplus or a deficit, we are (even on the most unfavourable assumption) sure of a considerable realised surplus after taking extraordinary revenue into account.

Review of the year 1923-24.

REVENUE.

5. *General.*—As in 1922-23, so in 1923-24, we based our estimates on hopes not indeed of a boom in trade, but of a steady revival of which

there seemed to be some signs early in the year. These hopes have, once again, not been fulfilled, although it seems likely that there will be in 1923-24 a record surplus of exports over imports. During the first ten months of the financial year, the surplus in value of exports of merchandise amounts to 103·47 crores as against 62½ crores in the corresponding period last year and an adverse balance of 29·60 crores the year before. The net imports of bullion, although substantial, have not reached the figures of 1922-23, with the result that there remains a net balance after allowing for bullion of 63·42 crores in favour of India as against 20½ crores a year ago and an adverse balance of 33 crores in the first ten months of 1921-22.

6. The volume of our export trade has continued to expand. The chief increase is under grain and pulse, where it amounts to 600,000 tons in the first nine months of 1923-24, due almost entirely to a resumption of exports of wheat; but with scarcely any exception every class of goods shows some increase. This is true of imports also, which show a serious decline in two cases only. In one of these the House will be specially interested. The imports of coal into India fell by exactly a third, or by 284,000 tons in the first nine months of the current year when compared with those of the corresponding period of 1922-23. "Grey twist and yarn" and "Grey piece-goods" also declined, but the quantity of practically every other class of imports has increased, while at the same time there has usually been a small fall in values. The year has been one of fairly steady, though at times difficult trade, but favourable to India in the balance.

7. Prices of Indian products have on the whole remained remarkably steady throughout the year, with the exception of raw cotton which, owing to the uncertainty and the eventual shortage of the American supply, has been subject to considerable fluctuation. In November 1923 cotton prices reached their highest level since 1918. This has inevitably reacted upon the activities of the cotton industry. Food grains, on the other hand, have fallen steadily since April and the wholesale price of cereals in Calcutta in December last was only 5 per cent. above the level at the end of July 1914. Sugar showed a tendency to advance, whilst tea has been obtaining record prices. The prices of raw jute have been consistently below those prevailing at the similar periods in the preceding year.

The close of 1923 was characterised by somewhat firmer prices for raw materials in the chief markets of the world, and it is fair to say that there is a greater sense of security among producers and merchants than at this time last year. The period of large returns has, however, passed and several industries have still to adjust themselves further to lower rates of profit.

8. *Customs.*—The slow recovery of trade and the fall in prices of imported articles have resulted in our being once again disappointed in our Customs receipts. The actual figures for Customs receipts up to the end of January point to a net revenue for the year of 40·42

crores as compared with the Budget estimate of 45.10 crores. *Sugar* provides 1.15 lakhs less revenue than we had anticipated, and it is evident that under this head insufficient allowance was made for the reduced tariff valuation. While the volume of imports of other articles has in most cases not been unsatisfactory, the amount collected on account of our *ad valorem* duties has declined. We anticipate a decrease of 73 lakhs under imports of *piece-goods*, 58 lakhs under *metals*, and 35 lakhs under *cutlery and hardware*, while owing to adverse conditions in the Bombay mill-industry the *excise duty* on *cotton manufactures* will fall short of the Budget by 38 lakhs.

9. To the extent of about 50 lakhs the failure of Customs revenue to fulfil our expectations is due to the decision of the Bombay High Court that stores imported by Railway Companies working State lines come under the definition of "Government stores" and have to be passed free of duty. An appeal has been preferred to the Privy Council against this judgment. If we are successful, we shall recover 50 lakhs from the Company managed Railways which will go to the Revenue side of the Budget of 1923-24. If, however, we are not successful, we shall not only fail to realise the 50 lakhs in question but we shall have to pay to the Railway Companies a further sum, estimated at about 2 crores, by way of refund of duty collected from them after the definition of "Government stores" on which we had always hitherto acted was brought into question before the Courts.

10. *Railways*.—The Budget estimate of gross receipts from Railways was placed at 95.57 crores. During the earlier part of the financial year the published figures of weekly earnings were unsatisfactory. They were considerably affected during the monsoon and again in December by breaches in important lines due to flood and storm. Since the middle of December, however, there has been a striking improvement in gross receipts which enables us to place our estimate for the whole year at the figure of 94.22 crores, which is only $1\frac{1}{2}$ crore less than the Budget estimate. On the other hand, we have effected a material reduction in working expenses and, in addition, the outgoings under the head of Programme Revenue expenditure have been less than we expected, and I may add, less than is really desirable in the interests of our Railway properties. The total saving in working expenses, as compared with the Budget, amounts to 1.93 crores. We thus anticipate an improvement of 58 lakhs in our net receipts.

11. *Opium, Posts and Telegraphs*.—Opium receipts exceed the estimate by 38 lakhs, but there is a decline of 22 lakhs in the net gain to Central revenues from the Posts and Telegraphs Department.

Interest Currency, etc..—Under the heads of "Interest", "Currency" and "Miscellaneous," there is an improvement of 1.42 lakhs, largely due to the higher price for short money in London and to the fact that favourable opportunities for remittance have enabled us to build up large reserves in sterling which will be very useful to us during the coming year.

12. *Salt*.—Honourable Members will not suspect me of forgetting Salt. The Budget provided for a total salt revenue of 11½ crores, including the additional 4½ crores expected from the doubling of the duty. Circumstances which are not unfamiliar have had the effect of seriously interfering with the normal progress of salt revenue during the year. To begin with, there were very large issues of salt during January and February 1923, in anticipation of the enhancement of the duty. The hope of profiting by a reduction in duty in 1924-25, has now led traders, especially in Northern India, to reduce their stocks as far as possible. An examination of past statistics shows that the issues against consumption in a normal year would amount at the present time to approximately 4.95 lakhs of maunds. The actual issues for 1923-24, are expected to amount to about 3.80 lakhs of maunds. The over-issue during January and February 1923, may be put at approximately 36 lakhs of maunds, so that something like 80 lakhs of maunds represents the amount of salt which would have been issued but for the anticipation of a reduction of duty in the present Budget. I may add that I have been unable to find any evidence that the restricted issues have been accompanied by any reduction in actual consumption. In the result, we now anticipate that our total revenue from salt in 1923-24 will amount to 8½ crores, which is 3 crores less than the estimate.

EXPENDITURE.

13. *Opium*.—The only important excess of expenditure over the estimate occurs under the head "Opium." It will be remembered that a supplementary grant of 77 lakhs was voted during the July session to enable us to meet an excess of payments to cultivators in the United Provinces and in the Central India States due to an increase in the outturn of the last crop. It is now expected that the excess will actually amount to 70 lakhs.

14. *Discount on Treasury Bills, Interest on Rupee loans, etc.*.—There has been a substantial saving on the Budget provision for discount on Treasury Bills which reflects the great improvement in our ways and means position. On the 31st March 1922, Treasury Bills outstanding with the public reached the formidable total of 54 crores. This figure had been reduced to 22 crores on the 31st March 1923. On the 31st March 1924 it will be approximately 2 crores. It is not necessary for me to emphasise the great gain to our financial security which these figures disclose. With a large amount of debt maturing from day to day, all within a few months, we were in a serious position if any unhappy emergency had arisen. The Finance Department's constant anxiety was to know how to find the money if Treasury Bills had to be repaid, and they were often at the mercy of the market if the bills had to be renewed. The market also appreciates its release from constant demands by the Government for short money. Indeed, such is the perversity of human nature that the complaint now tends to be that there are not enough Treasury Bills to go round. The favourable rate at which the current year's rupee loan was issued has

also resulted in a saving on the Budget provision for charges connected with new loans. There has been a small excess in the provision for new sterling loans owing to our having raised 18 million pounds in London instead of the 15 million pounds tentatively entered in the Budget statement. On the whole, we expect a saving of 74 lakhs in the gross interest charges on our debt.

15. *Sinking Funds*.—Under the head of sinking funds, there is a net saving of 80 lakhs, as we have found it unnecessary, owing to the improved state of the Government securities market, to use any portion of the additional provision of 80 lakhs which has been made during the last few years for supporting the two long-term 5 per cent rupee loans.

16. *Military expenditure*.—The Budget estimates of Military expenditure for 1923-24 amounted to 65·05 crores gross and 62 crores net. As has already been announced to the House, full effect has now been given to the reductions in British troops proposed by the Retrenchment Committee except in the case of one cavalry regiment and, though the full resulting economies will not accrue until 1924-25, His Excellency the Commander-in-Chief has found it possible by means of various economies to reduce the established charges of the Military services for 1923-24 to 60½ crores as against the figure of 61·94 crores included in the original estimate. A non-recurrent credit of 2½ crores from consumption or disposal of surplus stores was provided for in accordance with the recommendations of the Retrenchment Committee. The actual credit will amount to approximately 3 crores. On the other hand, the latest estimate of special expenditure in Waziristan is about 2 crores as against the figure of 1·69 crores included in the Budget. Gratuities, etc., for demobilised officers, for which 62 lakhs was provided, will cost us 1½ crores.

17. All these figures include sterling expenditure converted into rupees at 16d., and on this basis the revised Military estimate stands at 60·20 crores net. From this total a sum of 46 lakhs has to be deducted representing the saving under the head of Exchange, making the net figure 59·74 crores—a total saving of 2,26 lakhs or, if exchange be excluded, of 1,80 lakhs.

18. The non-recurrent saving of 3 crores in respect of stores has of course been a prominent factor in keeping down our Military expenditure in 1923-24. Our position has also been materially assisted by a non-recurrent receipt of 41 lakhs. During the war temporary lines were constructed for a number of Indian Battalions raised for the British Government, and the cost of these lines was charged to the British Government. Since the termination of the war the lines have been gradually disposed of, but the British Government have only recently accepted our contention that the sale-proceeds belong to the Indian exchequer in consequence of the arrangement arrived at when the further contribution towards the expenses of the war was agreed to by India.

19. *Exchange*.—There has also been a saving of $\frac{1}{2}$ crore under other heads of Civil Expenditure, but the largest saving on the expenditure side occurs under the head "Exchange." The rate of exchange has, except for a few days, stood above the figure of 1s. 4d. assumed for the purposes of the Budget for 1923-24. It has stood above 1s. 5d. almost continuously since November and the average rate for the current financial year is expected to work out to approximately 1s. 4½d. The resultant saving in net expenditure outside India, including Military expenditure and expenditure on commercial services chargeable to revenue, amounts to 1,28 lakhs. In addition, there is a saving in exchange of approximately 50 lakhs in respect of capital expenditure.

20. *Summary*.—The above variations in revenue and expenditure are summarised below :—

	(In lakhs of rupees.)	
	(+ Better — Worse)	
Customs revenue, less	4,68	
Salt revenue, less	3,05	
Opium revenue, more	38	..
Net receipts from Railways, more	58	..
Net receipts from Posts and Telegraphs less (62 lakhs of the deterioration is nominal, due to the debit to the Department for the first time of the cost of pensions and to payment made for the stock of postage and telegraph stamps which have now been taken over by the Department)	..	1,24
Interest, Currency and Miscellaneous receipts, more	1,42	..
Military receipts, more	1,17	..
Loss by exchange on revenue realised in England as compared with 1s. 4d. rate assumed for Budget	..	13
Minor variations	17	..
Total	3,72	9,10
Net deterioration in revenue	—5,38	
Opium expenditure, more	..	70
Saving under expenditure on stamps and superannuation allowances and pensions owing to transfers to the Posts and Telegraphs Department (see explanation above under Posts and Telegraphs receipts)	62	..
Saving in interest chargeable to Posts and Telegraphs and in capital outlay of the Department charged to revenue	40	..
Saving in gross interest payments	74	..

Smaller interest recoveries from Provincial Governments	..	25
Saving in provision for sinking funds	80	..
Saving in gross Military expenditure	63	..
Saving in exchange on gross expenditure in England as compared with 1s. 4d. rate assumed for Budget	1,41	..
Minor variations (mainly savings in Civil expenditure)	54	..
Total ..	5,14	95
Net saving in expenditure	+4,19	
Net deterioration on Budget anticipations ..	-1,19	
Surplus in Budget	..	81
Deficit now anticipated	..	38

REALISED SURPLUS.

21. *Windfall*.—So far I have been dealing only with ordinary revenue and expenditure. The figures are so nearly equal that although they point to a small deficit, it would not be surprising to find that the final figures show, after all, a small surplus on the ordinary Budget. We have, however, been fortunate enough to come in for a valuable legacy. There are certain sums which have for some time been lying in suspense and which represent the profits from the control of enemy ships and similar items. It has not hitherto been possible to say how much, if any, of these sums could be credited to Indian revenues. A great number of intricate problems had to be cleared up first and even to-day there is still some possibility of counterclaims being established against a portion of the amounts in question. But we are able to say with fair certainty that £3½ millions (equivalent at 1s. 4½d. to 4·73 crores) representing profits from the control of enemy ships belong to India. Out of this sum the Government of India propose to reserve 25 lakhs for the payment of *ex gratia* grants to private individuals in consideration of losses suffered through enemy action. If the whole of the remainder of this windfall were credited to the revenue of 1923-24, there would be a surplus (including both ordinary and extraordinary revenue) of over 4 crores after allowing for the deficit of 38 lakhs provisionally entered on ordinary account.

22. In the absence of any special arrangement this surplus would, in the ordinary course, go automatically to debt reduction, and, in view of the deficits of previous years, it is clearly desirable that as much of it as possible should be so applied. An item of extraordinary revenue of this sort ought not to be used for meeting ordinary recurrent expenditure or, indeed, any expenditure normally chargeable against ordinary revenue. We have, however, still to provide the

means of meeting the special charge of 2 crores for repayment to the Railways of customs duty on imported railway materials if the case goes against us in the Privy Council. This expenditure is, indeed, part of the expenditure properly chargeable to 1923-24 if it eventually has to be incurred. I therefore propose to retain 2 crores out of the available surplus temporarily in suspense pending the decision of the Privy Council. The remainder of the surplus, estimated at present at approximately 2.44 lakhs, will be applied automatically to the reduction or avoidance of new borrowings for capital expenditure.

GENERAL.

23. I do not propose to go again over the ground which I covered a year ago in reviewing the position of India's finances at the close of 1922-23. Broadly speaking it may be said that both in the provinces and in the Central Government the era of unbalanced budgets has now been brought to an end. We have got rid of practically all our embarrassments in regard to floating debt and can face the necessity of meeting short-term bonds which mature in the next few years with confidence. There is no longer any fear of our being forced to undesirable expedients, such as currency inflation, in order to meet our outgoings. And if the time has not yet come at which we can replace the present statutory, but inoperative, ratio of 2*½* gold to the Rupee by an effective ratio, this is due not to our inability to maintain our currency in a sound condition but to a continuance of economic instability in other parts of the world, which makes immediate stabilisation unattractive.

24. The improvement in our position is happily reflected in the improved market price of all our rupee securities. On the 15th February 1923, the 5 per cent. tax-free loan 1945-55 was quoted at Rs. 88-10; on the 15th February 1924 it was quoted at Rs. 98. The quotation for the 5 per cent. loan 1929-47 has risen in the same period from Rs. 82-10 to Rs. 93-2. In 1923 we were able for the first time since 1919 to raise money by a long-term issue, and the improved quotations which I have mentioned give us good reason to hope that we may do even better in 1924-25. More important still, the general improvement in our position should enable us, as I shall show later on when I come to the Ways and Means Budget for the coming year, to avoid any new borrowing in London.

25. *Post Office Cash Certificates.*—One striking feature of the year 1923-24 is the increased popularity of our Post Office Cash Certificates. Originally issued in 1917, these certificates, thanks to a strenuous campaign for saving, were taken by the small investor to a total of 8 crores net during the period ending 31st March 1919. From that time onwards, year by year, repayments considerably exceeded new purchases and on the 31st March 1923 the total outstanding had been reduced to 3 crores. There is nothing which will give a greater stimulus to economic progress in India than the extension of the saving habit. The year 1923-24 has seen a very hopeful

development in this direction. From the 1st April 1923 the terms on which Post Office Cash Certificates were issued were improved, so that they now offer a net yield of 6 per cent. compound interest to those who hold them till maturity. At the same time as the issue of new certificates began, endeavours were made in various directions to popularise them, with the result that during the ten months ending the 31st January 1924 a total of 6 crores gross and $4\frac{1}{2}$ crores net (after allowing for repayments) was invested in this way to the great advantage both of the small investor who lent us the money and of the Government of India who borrowed it, as well as of the Indian people as a whole who are richer individually by the amount of their savings and collectively by the productive capital assets in which these savings have been invested. It may shortly be necessary to reconsider the terms on which cash certificates are issued if, as seems probable, the Government of India are able to place rupee loans in the open market on terms which show a considerable improvement on the yield of about $5\frac{1}{2}$ per cent. subject to tax at which last year's loans were issued. But it is my earnest hope, and I trust that all Members of the Legislature will use their influence in the same direction, that the habit of investing in Post Office Cash Certificates will go on spreading throughout India and that both the number of small investors who take to the habit and the aggregate volume of their purchases will go on increasing.

26. The holders of all our securities in India have benefited by the general improvement in the outlook for Government finances, and not least those holders of our $3\frac{1}{2}$ per cent. rupee debt who bought or subscribed for that stock before the war at or near par. It will be remembered that the question of doing something to assist such holders was carefully examined a few years ago. But the conclusion reached, and indeed it was the only possible conclusion, was that the sound and sure way of alleviating their position is to restore the general stability of our finances. The rise in the quotation of the $3\frac{1}{2}$ per cent. rupee paper from its lowest point of Rs. 52 to a maximum figure of Rs. 66.2 during 1923, and the further rise which occurred early this month, when seasonal influences might have been expected to depress the price, is an earnest of what we may hope will prove a permanent recovery.

DEBT.

27. *Debt.*—I now come to our debt position. The figures which I am about to give are in a new form which is, I think, more comprehensive and accurate than the form hitherto adopted. The total debt of the Government of India on the 31st March 1924 will be constituted as follows:—

	(Rs. Lakhs.)
In India—	
Loans	3,58,79
Treasury Bills in the hands of the public. .	2,13
Total in India	3,60,92

In England (at Rs. 15)—

Loans	3,64,22
War contribution	28,90
Total in England	3,93,12

Unfunded—

Post Office Savings Banks	24,87
Cash Certificates	8,51
Provident Funds, etc.	39,97
Total unfunded	73,35
	8,27,39

• Add—

The Capital value of the liabilities under- going redemption by way of Terminable Railway Annuities, amounting, on 31st March 1924, to £60,095,485, or at R15	90,14
Total debt	9,17,53

I have excluded Treasury Bills, amounting to 49·65 crores, held in the Paper Currency Reserve, as these represent a liability not entirely comparable to ordinary public debt. If, however, they are included, the gross total of the debt amounts to 9,67·18 crores. The corresponding total on the 31st March 1923 was 9,29·55 crores including a similar total of 49·65 crores of Treasury Bills in the Currency Reserve and 8,79·90 crores excluding these Treasury Bills.

28. Of the total on the 31st March 1924, 11·88 crores are due to the discount at which some of the loans were issued. This liability is treated as an interest charge under our system of book-keeping and is being extinguished by annual appropriations from revenue within the period of each loan. It should therefore be excluded from our total debt figure, which is thus reduced to 9,056·5 crores. Of this, 5,78·39 crores are classed as productive debt and 2,28·45 crores as unproductive debt. The balance of 98·81 crores represents loans to Provincial Governments. These figures compare with 5,55·07 crores of productive debt and 2,29·11 crores of unproductive debt a year ago and 87·49 crores of loans to Provincial Governments. The rupee debt, which stood at 4,23·98 crores on the 31st March 1923, amounts to 4,34·27 crores on the 31st March 1924, while the sterling debt has risen from 304 million pounds on the 31st March 1923 to 322½ million pounds on the 31st March 1924.

29. *Proposals for debt redemption.*—This brings me to the general question of the provision made annually in our expenditure for sinking

funds. So long as we have a considerable annual programme of new productive capital expenditure, any provision for sinking funds operates, not to reduce the net total of our debt, but to reduce the amount of it which is unproductive, and the amount provided becomes in effect a contribution out of revenue towards productive capital expenditure. Instead, therefore, of speaking of such a provision by the convenient but misleading title of a sinking fund, it is preferable to describe it as a contribution out of revenue for reduction or avoidance of debt.

30. The amount provided for reduction or avoidance of debt in the Estimates for 1923-24 was as follows:—

(R Lakhs.)(R Lakhs.)

In India—

1½ per cent. Depreciation Fund against—	
5 per cent. Indian War Loan, 1929-47 ..	41
5 per cent. Tax-free Loan, 1945-55 ..	33
Lump sum addition to the above made	
in and since 1921-22	80
	1,54

In England—

	£	
War contribution—annual instalment in		
repayment of principal	442,900	
Railway Annuities (capital portion) and		
sinking funds	1,544,300	
Total in England ..	1,987,200	
Which at R 5= ..		2,98
Total provision ..		4,52

As I have already explained, the special optional addition of 80 lakhs, made in and since 1921-22 to the depreciation fund for the two 5 per cent. Rupee loans was not required during 1923-24. There was also a saving in exchange on the sterling items of 9 lakhs, so that the total actual expenditure for reduction or avoidance of debt during the year will have been R 3,63 lakhs.

The corresponding figures for 1924-25 on the same basis would be R. 4,65 lakhs including the special 80 lakhs and R. 3,85 lakhs excluding those 80 lakhs. An addition of 14 lakhs has to be made to the Depreciation fund for the 5 per cent. tax-free loan 1945-55 as the result of the further issue of that loan last summer. The balance of the difference between the figures for the two years is explained by exchange variations and by an automatic increase in the capital portion of certain annuities.

31. It will be remembered that a year ago there was some discussion in connection with the Budget of the propriety of charging to capital that portion of the Railway annuities, provided in the Railway grant, which represents repayment of capital. In accordance with a promise which I made last year, we have now reconsidered this particular charge in connection with the general subject of debt. We have come to the conclusion that this charge should henceforth be excluded from the Railway budget, but treated along with our other provision in the general budget for the reduction or avoidance of debt. By so treating it, we are able to get a clear picture of what exactly is our total provision out of revenue against our total debt and to consider whether it is sufficient. In order to do this we must first ask what is the basis on which our present total provision rests and what ought to be the basis. Why, in fact, did we provide 4.52 lakhs in 1923-24 and was that an adequate total ?

32. It appears on examination that the present provision is largely the result of accident. We happen to have entered into certain contracts with third parties, such as the contracts with railway companies to buy up their property by means of terminable annuities, and the contract with subscribers to our 5 per cent. war loans to provide a depreciation fund. These contractual obligations account for 3.72 lakhs in the Budget Estimates for 1923-24. The only optional payment was the extra 80 lakhs for additional depreciation funds for the 5 per cent. loans. It is obvious that a total made up in this way does not represent a considered plan, and that the aggregate of individual items does not necessarily conform to any criterion of what our total provision should be. Let me give an example of what I mean. Let us suppose that we come to the conclusion that 3.99 crores, which with exchange at 1s. 4d. is the aggregate of the obligatory items in 1924-25, represents almost exactly what ought to be provided. Suppose further that in the course of the next few years the money required for new productive capital expenditure and the money needed to meet the large total of maturing bonds were raised mainly or entirely by the issue of one or other of the 5 per cent. loans to which a contractual depreciation fund attaches. A large addition would then have to be made to our provision for depreciation funds. It is, of course, proper that the provision for reduction or avoidance of debt should grow with the growth of our total debt. But is there any reason why it should grow by exactly the amount of the depreciation funds ? And in so far as the new borrowing merely represents the replacement of maturing bonds is there any reason for an increase at all ?

33. We are clearly in need of some criterion and we should aim at a regular programme based on stable and well-considered principles, not subject to haphazard changes. The best way of arriving at such a programme is, I think, to take the gross total of our debt, examine the capital assets which we hold against that debt, and fix approximate periods within which it is desirable to amortise each category of debt. The gross total of our debt on the 31st March 1924, according to the

figures already given, is approximately 9,17.53 crores. I exclude as before the 49.65 crores of Treasury Bills in the Paper Currency Reserve, for redemption of which statutory arrangements have already in fact been made in our Paper Currency Act. Of this total of 9,17.53 crores, 98.81 crores represents debt incurred on behalf of the Provincial Governments. Those Governments themselves provide for the repayment to us of what they have borrowed, and proposals are under consideration for putting these arrangements on a more regular footing and for the establishment of a Provincial Loans Fund. For the purpose of the Central Government's provision for debt reduction, we may therefore, exclude this sum of 98.81 crores as also the sum of 11.88 crores representing discount on past loans, leaving a net total of 8,06.84 crores, of which 5,78.39 crores is productive and the balance of 2,28.45 crores is unproductive debt.

34. It seems desirable, however, to analyse our unproductive debt a little further. Approximately 98 crores of it represent the accumulated deficits of the five years ending 31st March 1923. The building of New Delhi accounts for 9.85 crores. We are thus left with a figure of 1,20.60 crores which may be said to be our true war debt. It is reasonable to fix different periods for the redemption of different classes of debt. For productive debt 30 years is not too long. For unproductive debt generally a period of more than 50 years is not easily defensible. For repaying the debt due to our deficits or for such an onerous obligation as the building of New Delhi, shorter periods, say 25 years for the first and 15 years for the second, ought to be taken, since in both cases the next generation of taxpayers is in danger of being called upon to provide sums which ought strictly to have been met out of annual revenue. War debt, on the other hand, however desirable it may be to meet war expenditure to the utmost extent possible out of war revenue, is the inevitable outcome of war conditions and part of the cost of war, and may legitimately be passed on to the generations which benefit by the sufferings and privations of their predecessors. *Per contra*, the fact that borrowing may be needed for emergencies such as war makes it most undesirable for a Government such as the Government of India to borrow for non-productive purposes in time of peace. It should manage to provide in peace time for the gradual amortization of all its debt. Moreover, the existence of a regular provision out of revenue for reduction or avoidance of debt will not only reduce the net amount of our new borrowings for productive purposes but will materially reduce their cost.

35. It is not possible in a Budget speech to treat the whole subject exhaustively and I do not pretend that the periods suggested above are the only possible or reasonable periods to take. But for the purpose of my argument they will serve well enough by way of illustration. If we take the periods named and apply them to the different classes of debt mentioned and assume further that any sums provided year by year were set aside to accumulate at 5 per cent. compound interest, we obtain as our result a figure of 3.66 crores as the amount

which it would be necessary, on the above basis, to provide annually beginning with the year 1924-25 to redeem the whole debt within the periods named. But it would not be convenient or desirable to set this sum aside year by year to accumulate at compound interest in the manner assumed in the calculation. It must be expended in the year in which it is provided either on actual repayment of existing debt or for new capital purposes in order to reduce the amount of our new borrowings. By so using it, we reduce the amount we have to pay in interest in the future. We could, indeed, obtain a result equivalent to accumulation at compound interest if we first of all provided 3·66 crores in 1924-25, and then set aside in 1925-26, in addition, a sum equivalent to 5 per cent. interest on 3·66 crores, and so on in future years. In that case the sums actually required during the next five years would be :—

(In crores of Rs.).

1924-25.	1925-26.	1926-27.	1927-28.	1928-29.
3·66	3·84	4·04	4·24	4·45

36. This would, however, be rather a cumbrous arrangement and in view of the hypothetical nature of some of the data on which the calculation is based, for example the assumption of a rate of exactly 5 per cent. for interest, it would be better to achieve the results desired by some more simple process. The same amount of debt would be redeemed if a provision of 4·04 crores were made in each year for the next five years. We may therefore conclude that a figure of 4 crores per annum would be an adequate provision to include in our Budget expenditure for the next five years for dealing with our existing debt.

37. I do not mean that we ought to lay down finally as a law of our financial system that a provision of 4 crores per annum shall be made in each of the next five years. In any case, I must remind the House that this figure makes no provision for the further debt which will be incurred during 1924-25 and thereafter. The criteria which I have suggested evidently require that an addition should be made each year for all new debt incurred. On the assumption, which I hope will prove correct, that such debt will (with the one exception of the expenditure now nearing completion on New Delhi) be entirely for productive purposes, the annual addition might be a sum equal to one-eightieth of the net addition to our debt during the year. It is much to be desired that in the near future we should arrive at a definite programme—it might with advantage be a statutory programme—for dealing with this subject. For the present, however, I am content to deal with the year 1924-25 only, leaving for further consideration in the light of the discussion which will, I hope, be provoked by what I have said, the final determination of our future programme.

38. The House will not fail to observe that the figure of 4 crores is almost exactly the figure of our obligatory payments. This coincidence is satisfactory as showing that our provision for dealing with our

debt hitherto has been a reasonable one. It also provides a further justification for the omission of the optional item of 80 lakhs for additional depreciation fund. In view of the strength of the market for Government securities, this extra 80 lakhs is clearly not required for its specific purpose.

SEPARATION OF RAILWAY FINANCES FROM GENERAL FINANCES.

39. *Railway Budget.*—Before coming to grips with the figures of the general Budget for 1924-25, I must devote attention to one more special subject, the subject of Railway Finance. Honourable Members have all seen the resolution on the subject of the separation of the Railway Budget from the ordinary Budget which has been on the table of the House for some days. I know of no reform which offers greater attractions and greater benefits to our finances and our Railways alike than a definite separation, if it can be achieved. The condition of affairs hitherto prevailing has inevitably tended to an alteration between raids by the Railways on the taxpayer and raids by the taxpayer on the Railways. If we can succeed in putting an end to this state of affairs, we shall have achieved a piece of genuine constructive work, for which the credit will be, in large measure, due to the initiative of the legislature which has pressed the problem upon the Government. It is proposed that time shall be set apart on Monday next for a full discussion of the resolution on this subject. I must not, therefore, delay the House now by dwelling upon it. I want only to say that in my opinion the reform proposed will bring us valuable dividends in our future budgets, and at the same time lead to great economies in the working of our Railways. It will give them a real incentive to increase their efficiency and to provide better service at reduced cost to their customers, the Indian public.

40. In the figures of the general Budget as presented, the return which we expect to receive from our investment in the Railways is included in accordance with the new settlement now proposed. The taxpayer, instead of paying the whole of the expenses and taking the whole of the incomings of the railways, will enter into a bargain with the Railways to receive from them (a) a sum sufficient to pay in full the interest on the capital he has invested in the commercial lines, (b) an additional dividend of five-sixths of one per cent. on that capital and (c) a share of one-fifth of any surplus earnings that may be secured in addition. In return, the Railways will be left to carry on their business with the right to retain any surplus over and above what they pay to the Government and to apply it to Railway purposes, first of all for creating reserves and then by using those reserves to improve the services they render to the public and reduce the price which they charge for those services. The Government of India and this Assembly will remain in complete control of the Railway Administration just as they now are. That control will be in no way impaired. But there will no longer be any need to consider from the narrow standpoint of their effect upon the general revenues in a particular period of twelve months, that is in a particular Budget period, proposals by the Railway

authorities which, though excellent and desirable in themselves, might, under the present system, upset the apparent equilibrium of the Budget for the year. The taxpayer will secure a regular and increasing contribution from his investment, largely independent of fluctuations in Railway receipts and expenditure, and the Railways will be able to spend money according to the real needs of the Railway systems unimpeded by the necessity for conforming to the vagaries of Budget figures and the requirements of Budget accounting. The Railway will become a real commercial undertaking managed on commercial lines, and the taxpayer will get the benefit of commercial accounts and management.

41. Among the papers which are being circulated with the speech, Honourable Members will find statements showing first, how the net contribution by the Railways to general revenues is arrived at under the proposed new settlement, and second a comparison of the figures under the two systems showing what the contribution would be under the old system. The main figures in the Railway Budget framed according to the proposed new plan are, traffic receipts 97·07 crores, working expenses 65·23 crores, interest and other charges 26·23 crores, leaving 1,33·48 lakhs as reserve, 4,27·30 lakhs as the net contribution to general revenues. Under the old system the net contribution is 4,16 lakhs. It is necessary, however, to mention one special point. One of the results of the close scrutiny of Railway finances which had taken place during the past year has been to bring to light a difference on the wrong side between the value of stores held for the capital suspense account and the true market value of those stores. Some of them are not now required for railway purposes and must be sold for what they will fetch. Others are required but are worth less than the figure, at which they stand in the books. It becomes necessary, therefore, to write off 3 crores from the Capital account and this can only be done by a charge against revenue. The loss has been accumulated over a series of years and is partly the result of the large rise in prices after the war and the subsequent slump. How are we to deal with this charge of 3 crores? It is necessary that the loss should be written off at once in order to enable us to arrive at a proper valuation of the East Indian and the Great Indian Peninsula Railways when they are taken over by the State. If we were in a position to do so, we ought undoubtedly to provide this 3 crores out of the revenue of 1924-25. Under the settlement proposed to be made with the Railways, this charge will be taken over by them and spread over a period of ten years, during which there is reason to believe that they will be able to meet it out of their share of surplus profits. Under the old system there is no provision for building up a reserve out of profits, as profits are taken automatically into general revenues for the year in which they accrue. There is, therefore, less justification for spreading the charge. If, however, the whole 3 crores were charged against the revenue of 1924-25, the contribution of the railways to general revenue during the year would be reduced almost to vanishing point. I trust that the need for deciding this difficult point will be avoided by the adoption by this House of the proposed

system of commercial accounting and separation of the railway finances. But in the contrary event there seems to be no better solution than to set up a special provision, of 30 lakhs a year, beginning with 1924-25, to amortise the debt in ten years, and it is only by this unsatisfactory device that the figures of 4.16 crores for railway net receipts on the present system is arrived at.

BUDGET ESTIMATES FOR THE YEAR 1924-25.

42. I have, I am afraid, already taxed the patience of the House as severely as the Government are accused of taxing the people of India. But the subjects of Debt Redemption and Railway finance have an interest far beyond the immediate question of the Budget of 1924-25, and it was necessary to deal with them at some length in order to prepare the way for the Budget statement itself. Two other subjects, which are of immediate importance for the year 1924-25, must still be disposed of before I am in a position to present the figures for which the House is waiting. The first of these is the question of making Government stores liable to Customs Duty and the second is Exchange.

43. *Proposal to charge imported Government stores to Customs Duty.*— I have already referred to the complications caused during 1923-24 by the decisions of the Bombay High Court which brought stores purchased for Company Railways into the category of "Government stores." We hope that the decision of the Privy Council will upset this ruling on appeal. But quite apart from that question, we have come to the conclusion that the time has arrived when Government stores should be treated for Customs purposes like any other imports, and as the House is aware, we have introduced a Bill to rescind the proviso to Section 20 of the Sea Customs Act by virtue of which Government stores are admitted duty free.

44. The Budget figures are presented on the assumption that this Bill will become law. The effect is to add about 1.63 lakhs to our estimate of revenue and about 53 lakhs to our general expenditure, of which 25 lakhs occur under the head of Military expenditure and 22 lakhs represent the assignments to be made to Provincial Governments during 1924-25 to compensate them for the duty which they will have to pay. An additional charge of about 1.10 lakhs to Railways is also involved, partly Revenue and partly Capital. Of this 1.10 lakhs about 90 lakhs would in any case accrue if the decision of the Privy Council were in our favour. It has been the practice hitherto to take credit to Revenue for customs duty on stores imported by company-managed Railways for capital purposes even when the capital is provided through the Government of India. We thereby get an increase in revenue at the expense of an increase in capital. It is true that the capital is spent on productive purposes and that the Railways are expected to charge their customers fares and freights sufficient to pay interest and earn profits on capital expenditure. But there are obvious objections to increasing revenue at the expense of capital and this system will be

reconsidered during the course of the year. It is not proposed to change it in the present Budget, in so far as the company-managed lines are concerned. But we think it would be unsound to extend the practice to State Railways, which will now have to pay Customs duty on the stores they import. It is accordingly proposed to earmark as a special contribution from Revenue to Capital a sum equivalent to the duty collected from State Railways on stores imported by them for capital purposes. The amount in 1924-25 is estimated at 11 lakhs. It will be larger by 30 lakhs in 1925-26 when the Great Indian Peninsula and East Indian Railways are taken over by the State, and the fact of their transfer to State management will thus automatically reduce the extent of the objection to the present system in the case of company-managed lines. The amount of duty on stores for company-managed lines which involves a debit to capital in 1924-25 is estimated at 51 lakhs.

EXCHANGE.

45. It will be remembered that in the Budget estimates for 1921-22 a rate of 1s. 8d. per rupee was taken for the purpose of converting into rupees that part of our expenditure which is in sterling. The Government were supposed to have made a prophecy or even a promise that the average rate for the year would be 1s. 8d. and were severely criticised when the rate fell far below that figure. This year's and the year before the rate taken was 1s. 4d., which proved just about right in 1922-23, while in 1923-24 the average rate has been 1s. 4½d. What rate are we to take for 1924-25? The figures were prepared in the first instance on the basis of a 1s. 4d. exchange, but are we content to leave them on that basis? If we do so and the rate for the year averages 1s. 4½d. we shall have over-estimated our expenditure to the extent of 88 lakhs (apart from Railways) and if the average rate were as high as 1s. 5d. we shall have over-stated our outgoings by 1,71 crores. Is the House prepared to pass our Demand Grants on the basis of 1s. 4d. at a moment when the market rate has been almost a continually above 1s. 5d. for nearly four months?

46. But if we do not take 1s. 4d. what rate are we to take? The Government of India cannot prophesy or promise any particular rate, and he would be a bold man who ventured any confident statement in complete ignorance, as he must be, of the nature of the 1924 monsoon, the course of events in the Ruhr and elsewhere, and the movements of the dollar-sterling exchange. We are compelled to adopt some definite figure and yet we are entirely unable to control the events which will determine the accuracy of whatever figure we may adopt. After careful consideration we have decided to frame our forecast on the basis of an average rate for the year of 1s. 4½d. or ½d. better than the actual average in 1923-24.

EXPENDITURE.

47. We are now at last in a position to proceed to a balance-sheet for 1924-25. I begin with the expenditure side.

Military Expenditure.—Military expenditure for 1924-25 is estimated at 63 crores gross and 60·25 crores net, which includes a saving on Exchange of 68 lakhs. On the basis of 1s. 4d. to the rupee the net amount required would be 60·93 crores. In order to assist comparison with the current year the remaining figures of Military expenditure which I shall proceed to give will be on the basis of 1s. 4d. to the rupee.

48. Established charges come to 59 crores which compares with the Revised estimate of 60½ crores and the original Budget figure of 61·94 crores for 1923-24. But 25 lakhs is included in the 1924-25 figure for the payment of customs duty on imported stores, which was not required in 1923-24. We shall require 30 lakhs for roads and barracks in Waziristan and 1·63 lakhs for special terminal charges. If we exclude the special sum of 25 lakhs representing customs duty, which will come back as revenue, the established charges will amount to 58½ crores as against the figure of 59·38 crores assumed by the Retrenchment Committee. The non-recurrent saving arising from reduction in stocks cannot of course be repeated for next year. But we have managed to reduce the established charges below the Committee's figure—an achievement for which we are greatly indebted to the vigilance of His Excellency the Commander-in-Chief and his keen anxiety to effect all possible economies which do not interfere with the essential structure and organisation of the reduced Army.

49. Full information about the action taken on the detailed recommendations of the Retrenchment Committee has already been supplied to the House. I may remind Honourable Members that the Committee expressed the view that in matters of detail the Commander-in-Chief must be left a certain amount of discretion in carrying out their proposals. As the financial effect of the retrenchments actually secured is not less than the total specific economies recommended by the Committee, the Government can rightly claim that they have given full effect to the Committee's recommendations. We have not overlooked the fact that the Retrenchment Committee expressed the opinion that the adoption of their recommendations would enable the Military estimates to be reduced in subsequent years to about 57 crores and ultimately to 50 crores, though, as they stated, the Commander-in-Chief did not subscribe to this opinion. Their specific recommendations, however, worked out to a figure of 57½ crores, which included the special non-recurrent saving of 2½ crores from reduction in stocks. There was thus a gap of 3 crores between the figure arrived at as a result of the specific recommendations of the Committee and the figure of 57 crores. Further the Committee took no account of the inevitable increase in non-effective charges. Owing to a growth in the pension list, which has been accelerated by reductions of personal, the provision for non-effective charges included in the established charges of the Military services is, on the basis of a 1s. 4d. rupee, 35 lakhs higher in the Budget of 1924-25 than in the Budget of 1923-24. It is evident, therefore, that the goal of 57 crores is not immediately attainable. For the last year our energies have been fully occupied in securing the actual retrenchments specifically recommended by the

Retrenchment Committee. But I am not without hope that, with the continued co-operation of His Excellency the Commander-in-Chief, it may be possible further to reduce the level of the established charges of the Military services in 1925-26, though unfortunately we have reason to anticipate that terminal charges will be specially heavy in that year.

50. *Civil expenditure.*—On the Civil side also, we have given effect to almost all the recommendations of the Retrenchment Committee and expenditure generally has been kept low. Under *Opium*, we are able to count on a decrease of 49 lakhs as compared with the current year's expenditure, as the special payments necessitated this year by an increase in the outturn of the last crop should not recur. A provision of 25 lakhs has been made, as I have already mentioned, for *ex-gratia* payment of compensation to private individuals who suffered from enemy action during the war, but it can be met from an equivalent sum set apart from the windfall from the working of enemy ships. Eliminating Railway transactions, which cease to be a direct charge on Central revenues under the new arrangements which I have explained, our total expenditure amounts to 104·57 crores. What is the revenue on the basis of existing taxation from which to meet it?

REVENUE.

51. *Customs.*—We expect a net customs revenue for 1924-25 of 45·02 crores against 40·42 crores now expected in the current year. The former figure includes the extra 1·63 crores already mentioned on account of duty on imported Government stores including Railway stores. Apart from this special factor, the estimate of revenue for 1924-25 allows for the higher tariff valuation for sugar which came into force from the 1st January last and for a normal expansion of revenue under other tariff heads.

52. Some small changes in the tariff are being proposed in the Finance Bill, the most important being the reduction of the Excise Duty on Motor Spirit to 4½ annas a gallon, which will cheapen motor spirit without loss to our revenue, and the imposition of specific duties on empty match boxes and splints, in order to protect our match revenue. I ought perhaps to add in passing that for Budget purposes it has been necessary to assume that the final outturn of 1924-25 will be unaffected by any changes which may be introduced into our customs tariff as the result of the recommendations of the Tariff Board.

53. *Income-tax.*—Under Income-tax, the unsatisfactory condition of the Bombay mill industry in the current year will reduce our revenue in that province in 1924-25, but this decline in revenue should be partly set-off by increases in other provinces, and we do not anticipate a reduction of more than 85 lakhs on the net revenue expected for the current year, making the total figures 18·22 crores.

54. We expect no material variation in the estimates under other heads of revenue, except under Currency where the investments in

British treasury bills made out of the large sterling remittances effected in the current year will result in an increase in revenue of about $\frac{1}{2}$ crore. We propose that the interest on investments of the Currency Reserve as well as the surplus holdings in the Gold Standard Reserve in excess of £40 millions should, as in the current year, continue to be credited revenue.

55. *Posts and Telegraphs.*—The net budget estimate of expenditure of the Indian Posts and Telegraphs Department is 9·03 crores. The revenue for 1924-25 is put at Rs. 10·14 crores. These figures are not comparable with those presented a year ago owing to the inclusion on both sides of certain items not hitherto included. The changes introduced represent the results so far achieved in the attempt to present commercial accounts. It has been hoped that it would be possible to have a commercial account ready for this Budget, but, partly owing to the desirability of awaiting a settlement of the cognate problems in the commercialisation of the Railway accounts, we have had to be satisfied with something less this year. We are able, however, to include in the detailed estimates a profit and loss account which indicates that the actual profit for 1924-25 will be about 19 lakhs.

56. It will be remembered that the Retrenchment Committee laid considerable stress on the large amount of capital locked up in stores. The actual balance in stock in the case of this Department has been reduced from Rs. 257 lakhs to Rs. 196 lakhs during 1923-24, and by the 31st March 1925 it is expected that the figure will have been brought down to less than 1 crore.

SURPLUS.

57. Replacing the net receipts from Railways by the fixed contribution of 4·27 crores, we thus arrive at a total revenue estimate of 107·93 crores, giving us, on the basis of existing taxation, a surplus of 3·36 crores. How are we to utilise this surplus? I see many claimants. I should like to have been able to reduce some of our Customs duties which in certain cases are undoubtedly hampering trade, though not I think so much as has been contended in certain quarters. It is tempting to consider a reduction here and there of some of our charges for postal and telegraph services; these, however, must wait till we know more exactly what the real surplus on the working of the Posts and Telegraphs is. Then there are the Provincial contributions. We had some discussion on these a few weeks ago, and the desirability of getting rid of them was widely recognised. So long as they remain unreduced, we are in the position of having over 9 crores of prior obligations between us and the things we should like to do with our surplus. Moreover, the existence of this liability is a constant source of bitterness in the relations between the different Provincial Government and between the Government of India and the Provincial Governments not excluding Bengal, whose three years of grace expire at the close of 1924-25. A beginning of reduction is being eagerly anticipated by the Provinces, especially by Ministers who are anxious to develop the services under their charge and are severely hampered by lack

of cash. Undoubtedly the Provincial contributions have a very strong claim. And finally there is the salt tax. It was raised from Rs. 1.4 per maund to Rs. 2.8 per maund this year owing to the paramount necessity of balancing the Budget. To reduce it to Rs. 2 per maund would demand 1.82 crores out of our surplus, to reduce it to Rs. 1.4 would take away Rs. 3.32 crores, that is, would devour practically the whole surplus.

WAYS AND MEANS.

58. But perhaps it would be better if, before continuing this exciting inquiry, I were to divert your attention for a moment to that necessary but less exciting portion of the annual Budget Statement—our Ways and Means Budget.

The following statement summarises the Ways and Means operations in India and England together during 1923-24 and 1924-25 :—

	[Crores of Rs.]	
<i>Liabilities.</i>	Revised.	Budget.
Railway capital outlay	23.6	30.0
Delhi, Irrigation and Telegraph outlay ..	2.8	3.2
Discharge of funded debts, etc.	5.2	1.0
Discharge of Treasury Bills with the public	19.5	2.1
Loans to Provincial Governments	11.3	12.7
Drawings of Provincial Governments from their balances .. .. .	....	2.3
	62.4	51.3

Met as follows :—

Central Government's revenue surplus ..	2.1	....
Surplus revenues of Provincial Governments	5.0	....
Rupee loan	23.1	20.0
Sterling loan	18.2	....
Net receipts from Post Office Cash Certificates	5.4	1.5
Net receipts from Savings Bank deposits ..	5.3	6.0
Miscellaneous items	2.3	7.9
Reduction of cash balances	1.0	15.9
	62.4	51.3

59. I have already referred to the satisfactory receipts from Post Office Cash Certificates in the current year and to the practical extinction of Treasury Bills issued to the public. I want to draw special attention to three further points in these figures, the amount of our proposed Rupee borrowings, the position in regard to our sterling remittances, and the absence of any provision for new sterling borrowing. The last is a very satisfactory feature in view of the onerous obligations for the future which the provision of interest and sinking fund on external debt involves. I must, however, remind the House that our Ways and Means Budget figures are necessarily illustrative rather than exact, and in particular I must not be taken as saying that in no circumstances will the Government of India borrow abroad during 1924-25. Something must depend on the relative cost of borrowing inside and outside India. But all indications point to our being able to meet all our capital requirements and all our sterling requirements in 1924-25 without issuing any external loan.

60. Moreover, we hope to achieve this while at the same time reducing our demands on the market in India, where, thanks to the reduction of our total requirements for new capital, we expect to be able to limit ourselves to a rupee loan of not more than 20 crores as against the total of 24 crores in 1923. We are assisted in reaching these results by having built up during 1923-24 a large reserve against our sterling needs during 1924-25. Our total purchases of sterling, whether by purchases in India or by sales of rupees in the form of Council Drafts in London, during 1923-24, are estimated to amount to £26½ million. During the summer we drew £5,850,000 in sterling from the Paper Currency Reserve against payment into the Reserve in India. On the other hand, in order to take advantage of the more attractive rates at which sterling has been obtainable during the winter months and at the same time to do something to mitigate stringency in the Money Market, we have remitted no less than 12 crores to London against issues of Paper Currency in India. We shall start the year 1924-25 with £14 millions in sterling securities in the Paper Currency Reserve, all of which we can, if necessary, apply towards meeting our sterling outgoings. But if conditions are at all similar in the winter of 1924-25 to those which prevailed this year, we may have to replace some of the amount so applied during the summer in order to meet the requirements of the Indian Money Market in the winter. We have, therefore, assumed a net draft on these sterling reserves of £10 million. The Ways and Means figures given above ignore, it will be noticed, any revenue surplus in 1924-25, and they are subject to modification in the light of the final decision as to the use of that surplus.

FINAL PROPOSALS.

61. This brings me back to the problem of what to do with our surplus. It is one of the ironies of fate that the boon which a Finance Member most desires—a Budget surplus—is frequently the cause of more embarrassment to him than anything else. He has first to

examine carefully whether he can safely give away any part of his surplus without laying up a store of trouble for future years. We do not want to remit taxation or give away a part of the Provincial contributions this year and then be faced with the necessity of imposing additional taxation next year or the year after. How do we stand in this respect? When the 1923-24 Budget was framed we doubted our ability to effect within the year all the retrenchments which we had under consideration. We were justifiably in doubt whether our revenue estimates were not unduly sanguine. We managed just to balance our Budget on paper, and though it is still doubtful whether the ordinary revenue will quite cover the ordinary expenditure, we have at any rate reached equilibrium. But we attained our balance this year only by special cuts in certain directions which could not possibly be recurrent. I have already explained the way in which this use of non-recurrent savings affects the comparison between the Military budgets for 1923-24 and 1924-25. In the case of the Railways, we made an even less satisfactory saving which was not merely non-recurrent but involved the postponement of urgently necessary works of rehabilitation. The cut in Programme Revenue Expenditure in 1923-24, justifiable as it was in all the circumstances, makes it all the more necessary that money should be found in 1924-25. In 1923-24, therefore, even if our paper surplus had been more assured, it would have been an unthinkable act of improvidence to have given up any part of the Provincial contributions. We need not perhaps stop to consider whether it would have been proper to give away to the Provinces the proceeds of a tax not agreed to by the House.

62. The Budget for 1924-25 as it stands gives us, I am happy to assure the House, a sounder basis, on which to build. I must admit that the estimates of Revenue are still experimental. This is inevitable in the present disturbed state of the world. If our estimate of Customs revenue is a little more cautious than in 1923-24, there are reasons for thinking that our estimate of Income-tax receipts in 1924-25 may be optimistic. But on the expenditure side, there are no such large non-recurrent cuts as disturbed the prospects a year ago, and we are justified in looking forward to the early disappearance of special war and terminal charges, though I have warned the House that the charge for surplus officers may be rather larger in 1925-26 than in 1924-25. Our Railway Budget will, I hope, be established from henceforward on sound commercial principles. Our provision for debt is, as I have shown, not unsatisfactory. Urgently desirable expenditure on new works is still postponed for financial reasons, but this at any rate is what I can call optional expenditure. We must not, indeed, forget that a poor monsoon is due before long. On the other hand, a real improvement in trade would appreciably increase the yield from our existing taxation. We have, moreover, to remember that a contribution of 63 lakhs will be due from Bengal in 1925-26. All things considered, we are justified in regarding the surplus of 3.36 crores as a real surplus, and I come back to the two claimants which the House will, I feel sure, agree to be the only possible ones, the Provincial contributions and the Salt Tax.

63. There is one important distinction between these alternatives. If we retain taxation at its present figure and give away our surplus in whole or in part to the Provincial Governments, we can face the year 1925-26 with some hope not merely of again achieving a balance but with the brighter expectation that some further reductions in expenditure or some normal growth in the yield of our existing sources of income will again give us a small surplus. If, however, we were to reduce the salt tax to Rs. 1-4 per maund, we have an initial deficiency of 2·16 crores to face in 1925-26. The receipts in 1924-25 would be abnormal partly because dealers would at once replenish their depleted stocks, if the duty were reduced to Rs. 1-4-0 and partly because we give the dealers six months' credit. For the first five months of 1924-25, we shall in any case be collecting some revenue at the rate of Rs. 2-8-0 a maund. A reduction to Rs. 1-4-0 in the 1924-25 Budget would not, therefore, have its full effect on our figures till 1925-26. The same would be true of a reduction to some intermediate figure, though of course to a smaller extent.

64. One further objection to a reduction of the Salt Duty is that, as I have already shown, the hope that the enhanced rate would endure for one year only has induced dealers to run down their stocks and they have thus to a great extent managed to evade payment of the full duty. It is believed that they cannot reduce stocks much further, and a decision by this House to retain the duty at Rs. 2-8-0 would make them give up hope of pocketing the special profits which they have been trying to secure. They would gradually replenish their stocks and the Exchequer would no longer fail to obtain its due revenue. If the tax is reduced to Rs. 1-4-0, they will certainly succeed in retaining for themselves part of what they ought to have paid to the Government and will not pass on the whole benefit to the consumer.

65. I know that many in this House regard reduction of the Salt Tax from a standpoint which includes wider considerations than those which are purely financial and economic. I am authorised to say that the choice will be left to the House. We are not, as last year, confronted by the vital distinction between a Budget which balances and a Budget which does not.

66. But are the economic objections to the Salt Duty so great as to justify the House in giving up this recurrent source of revenue at a time when the Provincial contributions remain unreduced, and the needs of the Provinces are as great as they are to-day? We have a sum of over 9 crores between us and a Budget which balances without the assistance of the Provincial contributions. If we reduce the Salt Tax to Rs. 1-4-0, we are in truth proclaiming to the Provinces that neither in 1924-25 nor in 1925-26 can we offer them any certain prospect of relief. We are at the same time postponing indefinitely the date at which we can foresee any reasonable possibility of reducing other onerous taxes or increasing our expenditure on beneficial services. It is a message of despair to all those who are looking to expenditure,

whether by the Central Government or by the Provincial Governments for the amelioration of the conditions of life, and for improved educational and sanitary services, throughout India.

67. Let not the House deceive itself. We certainly hope for progressive reduction in our Military expenditure, for progressive improvement in the yield of our existing sources of revenue. We hope too that the Committee on Taxation will be able, in due course, to recommend important improvements in the machinery and scope of our taxation system, so that it may be possible for India to raise in taxation an amount equal to what she raises to-day at less sacrifice to the taxpayer. But the results of this inquiry can hardly be available in time for the 1925-26 Budget, and the improvements in our position for which we may look owing to reduced expenditure and increased yield from existing taxes can hardly do much more in 1925-26 than fill the gap of over two crores created by the loss of salt revenue. We have once again explored with exhaustive care the practicability of alternative taxation, and we are unable to recommend any alternative. We cannot, as I have already shown, afford to contemplate reduction of the Provincial contributions by postponements of inevitable expenditure or by any device, even if they were available, which will merely improve the appearance of one year's Budget by laying up trouble for the next. And we cannot return to the era of unbalanced Budgets. The choice is clear and unambiguous. We can, if we like, reduce the Salt Tax to Rs. 1-4-0, but by so doing we do a definite disservice to the true interests of India's finances.

68. But, it may be said, is there not a middle way? A reduction to Rs. 1-4 costs us 3-32 crores in 1924-25 and a further 2-16 crores in 1925-26, making a total loss of 5-48 crores in 1925-26. Thereafter allowing for normal growth in yield, the annual recurrent loss is in the neighbourhood of 6 crores. A reduction to Rs. 2 per maund involves a loss in 1924-25 of Rs. 1-82 crores and little more in 1925-26. With the Salt Tax fixed at Rs. 2 per maund by the verdict of this House, the disturbing factors which have upset the calculations in 1924-25 in regard to issues of salt would be eliminated, and though the dealers would, it is to be feared, succeed in making some of the special profits which they have had in view in reducing their stocks, their gains would not be so appreciable as would result from a reduction to Rs. 1-4-0. A reduction of the Salt Duty to Rs. 2 per maund would still leave us with a surplus of 154 lakhs in 1924-25, and the extra loss in 1925-26 is so small that we could afford to ignore it. Even though on purely financial and economic grounds they may be doubtful of the desirability of reducing taxation in face of the claims of the Provinces for reduction of their contributions, are the Government not prepared to adopt this middle course?

69. After full consideration of all the special circumstances, the Government of India have decided not to ask the House to continue the Salt Duty at Rs. 2-8-0 a maund. But in view of their repeated

pledges on the subject of the Provincial contributions, and still more because they are convinced that even the poorest Indian and perhaps the poorest most of all—will benefit far more by the maintenance of sound finances in the Central Government and by a beginning of a reduction in the Provincial contributions, they have decided that the middle course is the right course. They propose to divide the surplus between the two claimants.

70. The recommendation of the Government of India therefore is, and I desire to make it clear to the House, that this recommendation is made after full consultation with the Secretary of State and his full approval and support, that out of the surplus of 3·36 crores, a sum of 1·82 crores be applied to reducing the Salt Tax from Rs. 2-8-0 per maund to Rs. 2 per maund and that a sum of Rs. 1·50 crores be applied to a reduction of the Provincial contributions. This will give immediate relief to four provinces. It will reduce the contribution of Madras from 348 lakhs to 268 lakhs. It will reduce the contribution of the Punjab by 38 lakhs, from 175 lakhs to 137 lakhs. The contribution of the United Provinces will be reduced from 240 lakhs to 210 lakhs, a reduction of 30 lakhs. Burma will get a small reduction of 2 lakhs on its contribution of 64 lakhs.

71. I do not wish to appeal to provincial particularism. We here represent the whole of India. As I said a few weeks ago, borrowing the words of the Honourable Pandit Madan Mohan Malaviya, this is a national question and should be looked at from a national standpoint. The Devolution Rules prescribe the proportions in which each province's contribution is to be reduced as money becomes available. The provinces named are the first to get relief. But "well begun is half done." The turn of the others comes next and their prospect of reduction is brought so much the nearer by the clearing away of prior claims. But more important still is the interest of India as a whole in making a beginning in dealing with this running sore of the Provincial contributions. This House, in the first year of its life, has an opportunity of helping to make good the financial basis of the Reforms from lack of which many of the difficulties of the last three years have sprung. The Government of India ask the co-operation of the Assembly in enabling them so to manage the finances of the country that the way may be clear for constitutional progress unhampered by any impediments arising from financial disorders.

BASIL P. BLACKETT.

The 29th February 1924.

STATEMENT I.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1913-14 to 1922-23.

(See paragraph 2 of speech.)

[In thousands of Rupees.]

	REVISED ESTIMATES.			ACTUALS.		
	Revenue.	Expenditure.	Surplus (+) Deficit (—)	Revenue.	Expenditure.	Surplus (+) Deficit (—)
1913-14	80,66,56	78,43,56	+2,23,00	81,32,71	77,85,85	+3,46,86
1914-15	74,89,38	79,07,25	—4,17,87	76,15,35	78,83,14	—2,67,79
1915-16	78,89,08	81,58,21	—2,69,13	80,00,96	81,79,26	—1,78,30
1916-17	97,25,67	88,27,37	+8,98,30	9,53,10	87,31,37	+11,21,73
1917-18	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19	1,27,94,65	1,34,79,88	—6,85,23	1,30,40,66	1,36,13,72	—5,73,06
1919-20	1,44,07,56	1,59,18,67	—15,11,11	1,37,13,98	1,60,73,27	—23,65,29
1920-21	1,35,40,35	1,48,03,61	—12,93,26	1,35,63,32	1,61,64,17	—26,00,85
1921-22	1,13,15,32	1,41,94,52	—28,79,20	1,15,21,50	1,42,86,52	—27,65,02
1922-23	1,20,70,17	1,37,95,52	—17,25,35	1,21,41,20	1,36,43,05	—15,01,76

STATEMENT II.

*Calculation of the net contribution from Railways to General
Revenues in 1924-25.*

(See paragraph 41 of speech.)

(Figures in thousands of rupees.)

		Revised Estimate. 1923-24.	
A.	(i) Capital at charge, all lines	6,45,80,91,00	
	<i>Deduct—</i>		
	(a) for strategic lines ..	26,50,37	
	(b) for capital contributed by Indian States and Railway Companies.. ..	74,90,40	1,01,40,77
	(ii) Capital at charge, commercial lines ..	5,44,40,14	
	(iii) Contribution at $\frac{1}{3}$ ths of 1 per cent. ..	4,53,67	
B.	(i) Gross traffic receipts, all lines	94,22,02	
	<i>Deduct—</i> Receipts, strategic lines	1,97,23	
	(ii) Gross traffic receipts, commercial lines ..	92,24,79	
	(iii) Working expenses, all lines	60,96,00	
	<i>Deduct—</i> Expenses, strategic lines	2,28,17	
	(iv) Working expenses, commercial lines ..	58,67,83	
	(v) Share of surplus profits paid to Indian States and Railway Companies	1,11,42	
		59,79,25	
	(vi) Net receipts, commercial lines [(ii) minus (iv) and (v)]	32,45,54	
	<i>Add—</i> Subsidized Companies, Government share of surplus profits	23,27	
	(vii) Total net receipts	32,68,81	

(viii)	Interest on capital at charge, all lines ..	17,37,98
	<i>Deduct</i> —Interest, strategic lines	1,01,76
(ix)	Interest on capital at charge, commercial lines	16,36,22
(x)	(a) Interest portion of ammunities in purchase of Railways	3,11,34
	(b) Interest on capital contributed by Indian States and Railway Companies.. .. .	3,11,79
(xi)	Total interest charges, commercial lines ..	22,59,35
(xii)	Land and subsidy	7,41
(xiii)	Miscellaneous Railway expenditure ..	16,72
(xiv)	Total (xi), (xii) and (xiii)	22,83,48
(xv)	Net gain from commercial lines (vii) minus (xiv)	9,85,33
(xvi)	Contribution at $\frac{2}{3}$ ths of 1 per cent. on capital at charge [A (iii)]	4,53,67
(xvii)	Surplus profits	5,31,66
(xviii)	$\frac{1}{3}$ th of surplus profits	1,06,33
(xix)	Total contribution [(xvi) plus (xviii)] ..	5,60,00
(xx)	<i>Deduct</i> —	
	(a) loss in working strategic lines	30,94
	(b) interest on capital at charge, strategic lines	1,01,76
		1,32,70
(xxi)	Net contribution	4,27,30

NOTE.—The contribution will in future years be calculated on the actual results of the penultimate year's working; but in 1924-25, the year of inception of the new system, on the results of the working in 1923-24. The net contribution of 4,27,30 shown in this statement is therefore subject to adjustment when the actuals of 1923-24 are known.

STATEMENT III.

Comparison of the contribution from Railways to General Revenues in the year 1924-25 under the present and proposed (separation) systems.

(See paragraph 41 of speech.)

(Figures in thousands of rupees.)

	Present system.	Budget Estimate 1924-25.	Proposed system.	Budget Estimate, 1924-25.
(i) Gross traffic receipts	.. ..	97,06,92	(i) Gross traffic receipts	97,06,92
<i>Deduct—</i>			<i>Deduct—</i>	
(a) Working Expenses	66,68,04		(a) Working Expenses	65,23,04
(b) Share of Surplus Profits paid to Indian States and Railway Companies ..	1,14,87		(b) Share of Surplus Profits paid to Indian States and Railway Companies. ..	1,14,87
		67,82,91		66,37,91
(ii) Net receipts .. ..	.. ..	29,24,01	(ii) Net receipts	30,69,01
(iii) Subsidized Companies, Government share of surplus profits .. ..	.. ..	25,92	(iii) Subsidized Companies, Government share of surplus profits	25,92
(iv) Total net receipts .. ..	.. ..	29,49,93	(iv) Total net receipts	30,94,93
(v) (a) Interest on capital at charge	19,18,05		(v) (a) Interest on capital at charge	19,18,05

(b) Interest portion of annuities in purchase of railways.		2,97,56
(c) Interest on capital contributed by Indian States and Railway Companies		2,80,09
(vi) Land and subsidy	24,95,70	
(vii) Miscellaneous Railway expenditure	16,00	
(viii) Railway reserves	22,45	
(ix) Total (v), (vi) and (vii)	25,34,15	
(x) Net contribution from Railways to, General revenue [(iv) minus (viii)]	4,15,78	

NOTE.—The figure for Working Expenses is 1,45,00 less under the proposed (separation) system than under the present system, because—

(i) As an integral part of the proposed system the allocation of expenditure on renewals between Capital and Revenue will be revised; and with the revised allocation 1,15,00 is expected to be charged to Capital next year, which, under the present system, must be charged to Revenue.

(ii) Under the present system 30 lakhs must be charged to Working Expenses next year, in order to write down to market prices the value of stores in stock, and to write off out of Revenue the loss involved in the sale of surplus and obsolete stores. Under the proposed (separation) system, this charge will be met from the Railway reserves.

It will be observed that this figure of 1,45,00 is the equivalent of (1) the increase of 11,52 in the contribution expected to be made from Railways to General revenues under the proposed (separation) system, and (2) the amount of 1,33,48 expected to be carried to Railway reserves.

RESOLUTION *RE*: PROVISION OF FUNDS
FOR IRRIGATION PROJECTS AND THE CONSTITUTION OF
AN EXPERT BOARD THEREFOR AT HEADQUARTERS.

*Extract from the Proceedings of a Meeting of the Council of State held
at Delhi on the 30th January 1923.—(Pp. 639 and 640).*

THE HONOURABLE SIR ARTHUR FROMM.—Sir, I listened with considerable interest to the various opinions expressed by the Members of this Council with regard to irrigation, and I may at once say that I entirely agree with those opinions, as I look upon irrigation as one of the most important matters in this country. In the interests of agriculture I think that the Government of India should not merely look upon irrigation as the concern of the various Local Governments; the needs of the country would be better served if the Government of India looked upon irrigation as a whole and, as suggested by one Honourable Member, would consult the various Provincial Governments and not just say "It is the concern of the Provincial Governments and no concern of ours."

With these few remarks in support of this question of irrigation, I should like to refer to one other matter and that is to the comment on railways made by my Honourable friend Mr. Kale. I understood Mr. Kale to say that Government had spent money on railways without the people asking them to spend money on railways. I was very astonished to hear that. Every commercial body in India has always pressed Government to develop its railways and Government now are doing their very best to rehabilitate them. The Honourable Mr. Kale must have known that for some years past the province from which he comes has suffered very greatly from the backwardness of the Indian railways, and on many occasions we have nearly had a coal famine. Bombay lifted up its voice very loudly and criticised the Government of India for being so backward with the railways that we could not get coal into Bombay for our industries.

It was an unfair charge to bring against Government that they have been squandering money on railways without the consulting the wishes of the people. Every commercial body that I have known in this country has always pressed for the development of railways. It is just as important, in my opinion, as irrigation, and the two should go hand in hand together.

RESOLUTION *RE*: PROVISION OF FUNDS
FOR IRRIGATION PROJECTS AND THE CONSTITUTION OF
AN EXPERT BOARD THEREFOR AT HEADQUARTERS.

*Extract from the Proceedings of a Meeting of the Council of State held
at Delhi on the 30th January 1923.—(P. 644).*

THE HONOURABLE SIR ARTHUR FROM.—Sir, I only wish to rise for a few moments. I thought when I spoke just now I made it quite clear that in my opinion irrigation and railways should go forward hand in hand; in fact I think those were the concluding words of my few remarks. I am sorry if the Honourable Mr. Lalubhai Samaldas understood from what I said that I was merely impressing a commercial view upon members. I do not see in what way irrigation in this country would be of any use whatever if there were no railways; that was the whole idea of my saying that irrigation and railways should go hand in hand. I do not wish to press a commercial view as against the agricultural view and I do not think my words should have been thought to incline or did incline towards it.

RESOLUTION *RE*: WORKMEN'S COMPENSATION AND SOCIAL
INSURANCE IN AGRICULTURE.

*Extract from the Proceedings of a Meeting of the Council of State held
at Delhi on the 31st January 1923.—(Pp. 676 and 677)*

THE HONOURABLE SIR ARTHUR FROM.—Sir, the Honourable Members of this Council have had before them the report of the Joint Committee which recently sat on the Workmen's Compensation Bill, and when turning over in their minds the amendment which has been proposed by my Right Honourable friend I ask Members of this Council to keep clearly before them that report and the Bill as amended by the Committee. The Committee gave a good deal of their time and energy in going through the Bill and what they kept before them chiefly was that this new legislation should only be brought to give benefit to workmen and labourers in this country who are employed in hazardous tasks. It was felt generally by the Committee that the Workmen's Compensation Bill was an advanced step in this country and that it would be better to go slowly with it at first, and that, when the Bill is passed and becomes an Act, as no doubt it will be passed and become an Act, and when we have had experience of it for some years, it would be open to any Member of the Legislature to introduce another Bill further to amend the Act. Bearing in mind this Bill which I have no doubt all the Honourable Members of this Council have studied very

closely, I should like to refer to a point which of course my Right Honourable friend on my right clearly understands, but of which I do not know whether all the members of this Council are equally aware that in plantations like those of tea, rubber and sugar, the common term 'plantation' also includes a factory. Now those men employed on sugar plantations, tea plantations and rubber plantations, who are working in the factory will come under the Factories Act, and if they suffer any disability from their work in the factory or if there is an accident in the factory of a tea plantation, a sugar plantation or a rubber plantation they will come under the Workmen's Compensation Bill when it becomes law and will benefit by it. But it was not the intention of the Committee to extend the benefits of this new legislation to men working in the fields. We considered it would be opening too large a field to be explored at the present time. As I have said in my opening remarks, it will be open to any Member of the Legislature to introduce an amending Bill after we have had experience of this new and great piece of legislation—the Workmen's Compensation Act. I cannot quite follow my Right Honourable friend in this amendment in asking Government to make now a further enquiry, which he himself admits would be a task of exceeding perplexity. I think the Government in the next few years will be very busy handling this Workmen's Compensation Bill, or Act as it will be, without having to prosecute a further inquiry to extend the scope of the Act. The Members of the Conference at Geneva were fully aware, when passing their Recommendations and their Conventions, that it could not be expected that conditions in all countries would be alike and what might be a very suitable Convention for one country did not necessarily apply to the needs of another one. By accepting the Resolution put forward by the Hon'ble Mr. Chadwick and desisting from workmen's compensation in agriculture I do not think India can be accused in any way of not being faithful to the Geneva Conference. I sincerely recommend to the Honourable Members of this Council that they should go slowly in this matter. The Workmen's Compensation Bill is a very advanced form of legislation for this country. We want to see how it is going to work, and when it has been in working order for a number of years, we can look further afield and if it is thought that labour in this country wants further protection, I for one would in no way be against it. My strong advice to this Council is *festina lente* which I think nearly all of you know well to be an Italian proverb meaning "Make haste slowly". Sir I cannot support the amendment.

COTTON TRANSPORT BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 14th February 1923.—(J. 737).

THE HONOURABLE SIR ARTHUR FROM.—I too most cordially welcome this Bill. I do not think it wants any words from me to recommend it to this Council. The speakers before me have explained

the benefits which it will bring to the cultivator, the agriculturist and the cotton trade generally. I will therefore merely content myself with endorsing the final remarks which fell from the lips of my Honourable friend Mr. Purshotamdas Thakurdas and I trust that Government and the Commerce Department will watch the action of this Bill and its effect very closely for the next few years, and, if the effect of the Bill is not sufficient to put an end to these fraudulent practices, that they will consider bringing in another and an even more stringent measure.

I think that this Bill is one of the greatest importance and that its full weight should be felt.

INDIAN BOILERS BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 15th February 1923.—(Pp. 760 and 761).

THE HONOURABLE SIR ARTHUR FROM.—Sir, I too welcome this Bill. The honourable Mr. Chadwick has explained the principles of it and he mentioned how extraordinarily bad the previous arrangement was of each Province having its own Boiler laws. He clearly put before the Council an example of what disabilities the country suffers from the Provinces having their own Acts for the control of boilers. He showed Members that a boiler might be condemned, say, in Bombay, where the boiler laws possibly were more stringent than those of another province, but that the boiler could be shifted over to the other province installed and used, although in the opinion of the inspectors of the first province it was unsafe. Another matter which has been brought forward in this Bill is the introduction of the supervision of steam pipes as well as boilers. Steam pipes were omitted from the old Acts in all the provinces. It has now been considered that steam pipes may be regarded as an integral part of the boiler. It is just as dangerous to life to have a steam pipe in an unsound condition and I think that the part of the Bill bringing steam pipes under the control of the Boiler Inspector is a further great step for the safety of workmen employed in factories and places where boilers are in use. The Hon'ble Mr. Lalubhai has referred to one controversial subject, which presumably we shall have for discussion later on when we take the Bill into consideration, so I do not propose to refer to that now. With these few words I endorse the welcome which has been accorded to this Bill in every Province in this country.

INDIAN BOILERS BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 15th February 1923.—(Pp. 763 and 764.)

THE HONOURABLE SIR ARTHUR FROOM.—Sir, I have but a few words to add to those which we have just listened to from the Honourable Mr. Innes in relation to this amendment put forward by my friend the Honourable Mr. Khaparde. I should just like the Members of this Council to bear in mind that when this Bill came before the Select Committee, the question of certificated attendants to boilers had been omitted altogether from it. The Select Committee in studying this Bill considered carefully the views of the Central Provinces regarding this matter and incidentally I may add, they listened to the views of Bombay. We therefore considered that two such large Provinces should not altogether be ignored, and I contend that the Select Committee took the right line when they put in the provision allowing Local Governments to introduce their own rules in this respect. As the Honourable Mr. Innes has pointed out, we did not think that the Central Provinces and Bombay should foist their views on other Provinces of such importance as Bengal and Madras. This is the only part of the Bill which does not speak for uniformity throughout India, but we saw no other way out of it except to allow the Provincial Governments to make their own rules, and I have no doubt that the Central Provinces will make their own rules respecting certificated attendants of boilers and I equally have no doubt that Bombay will follow suit. I think that we arrived at the best solution of this rather controversial matter in the Select Committee and I would suggest to the Honourable Mr. Khaparde to withdraw his amendment which I cannot support.

MOTION FOR POSTPONEMENT OF RESOLUTION *RE*:
IMPOSITION OF A DUTY ON BENZINE AND PETROL
EXPORTED FROM INDIA AND BURMA TO FOREIGN
COUNTRIES.

Extract from the proceedings of a Meeting of the Council of State held at Delhi on the 19th February 1923.—(P. 833).

THE HONOURABLE SIR ARTHUR FROOM.—I rise merely to say, Sir, that I think the proposal put forward by my Honourable friend Mr. Sethna is a very right and proper one. It has been further explained by the Honourable Mr. Cook and I hope that Honourable Members of this Council will accept it.

WORKMEN'S COMPENSATION BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 20th February 1923.—(P. 843).

THE HONOURABLE SIR ARTHUR FROM.—Sir, so much has been said in the way of welcoming this Bill that I won't detain the house with a speech, but I think, perhaps, as representing the Bombay Chamber of Commerce, I too should add a word of welcome to this very important measure. The Bill, I think, as presented to this House is a good one. I do not think it would become me to eulogise it very much more than that because I happened to be on the Joint Committee. The Joint Committee had many discussions to deal with. I will also say we had many arguments most of which were settled satisfactorily, and the result has been the Bill which is before us here to-day. I think it is a good one. It is a progressive measure. We have tried to be fair both to the employers and to labour and I heartily recommend it to this Council.

WORKMEN'S COMPENSATION BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 20th February 1923.—(Pp. 857 and 858).

THE HONOURABLE SIR ARTHUR FROM.—Sir, like the previous speaker, I wish to make one point which has not been referred to by my Honourable friends who have got up before me. In his opening remarks the Honourable Mr. Raza Ali sought to make capital out of the fact that it was the employers who objected to make any payment being made in connection with accidents arising out of the fact that the workmen were under the influence of drugs or had disobeyed the express orders issued for their safety and so on. He tried to make capital out of the fact that the objection came from employers; I think he called them capitalists. Well, of course, that was perfectly true. Who else did he think would object? Of course it was for the employer to object.

Earlier in the debate, Sir, I think the Honourable Member for Commerce remarked how gratifying it was to find that the employers had accorded such a warm welcome to this Bill and I think my friend the Honourable Mr. Sethna said that not only had the employers received this Bill with a warm welcome but, in many instances, in their opinions on the Bill when it was circulated amongst them, they went a step further in favour of the workmen. They all very naturally

objected to payments to men who were under the influence of drugs or who had disregarded precautions for their safety taken by their employers. Sir, I strongly oppose this amendment.

WORKMEN'S COMPENSATION BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 20th February 1923.—(Pp. 870 and 871).

THE HONOURABLE SIR ARTHUR FROOM.—I agree with my Hon'ble friend Sir Alexander Murray. The intention when this clause was discussed in Joint Committee was that the man should be medically examined. When the bill was first introduced the period for examination was seven days and we thought that that was too long to keep a man within the vicinity of the place where he had the accident. We reduced it to three days, and our idea in reducing it to three days was that of compelling him to remain within the vicinity of the place where the accident happened, as I have said we decided that seven days was too long to keep a man there when he would be wanting to go away to his country. The Honourable Mr. Sethna has recently withdrawn the amendment he put forward in connection with a man who did not present himself immediately for medical examination but left for his home, came back and was examined afterwards. If we accept the amendment put by the Honourable Mr. Chadwick what is the position. An accident has occurred, the man runs away to his country, the employer loses sight of him, and knows nothing more about him and there is no time limit. He may die six months hence; he may die of something totally different from the effect of the accident and a claim is received that he died from the result of the accident which happened perhaps six months previously, during which period the employer has had no trace of the man. I am not arguing this against the interests of the employee or the workman. I think Honourable Members will bear me out that I have always supported everything in fairness for the workmen, but I put to them that this amendment is seeking to place too great a liability on the employer. I have no doubt that the Honourable Member in charge will say that after all it is left to the discretion of the Commissioner. But I do not think we should place the Commissioner in that position. I do not think we should give him discretion in these cases. This amendment is immediately in contradistinction to what we have been discussing. It has been agreed that a workman's compensation, when he runs away without medical examination, should be suspended, but that as soon as he comes back to be medically examined then he is entitled to claim compensation; we agreed to this, though, as I have said, it was the intention of the Committee when they reduced the period during which a man should present himself for medical examination—reduced

from seven days to three days—that he should remain in the vicinity where he was injured and undergo medical examination. I cannot support this amendment. I think it is placing too great a liability on the employer. All trace of the man is lost. He has a minor accident, disappears upcountry, it is not known what happens to him, he may die sometime afterwards, he may die of the accident or from the result of the accident, or he may die from a totally different cause but if he does die, whether it was a result of the accident or from a totally different cause, I feel sure there would be a claim for compensation against the employer. I recommend to Government to drop this amendment altogether.

WORKMEN'S COMPENSATION BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 20th February 1924.—(Pp. 910-912.)

THE HONOURABLE SIR ARTHUR FROM.—Sir, when on Tuesday last the Honourable Mr. Chadwick moved that this Bill, as passed by the Legislative Assembly, be taken into consideration, I, in common with most Honourable Members of this Council, accorded it a sincere welcome; it is with an equally sincere regret that I cannot extend to it a cordial valediction leaves this House.

The Bill as presented to us last Tuesday appeared to me to be a well conceived measure. It had been carefully studied by a powerful Joint Committee and had subsequently been considered and adopted in the Legislative Assembly. Honourable Members may therefore well judge of my surprise when I saw an amendment put in by Government abrogating the judgment of the Joint Committee in respect of clause 11. Honourable Members will at once recognise to what I refer in this clause 11, and that is the medical examination of an injured workman. I should like those Honourable Members who have not carefully studied the clause as it now stands amended to realise what will be the effect of the various sections now. Sub-section (1) provides for the medical examination of an injured workman. Sub-section (3) modifies this by permitting an injured workman to leave the vicinity where he was injured, to go to his native country, subsequently return, present himself for medical examination and then he can claim compensation from the date of his medical examination. I did not like this section, Sir, but I did not strenuously oppose it, as it is also governed by sub-section (5) which will be sub-section (6) which provides that the medical examiner has power to determine what additional injury has occurred to the workman by reason of neglect. Now we come to the recently introduced sub-section (4), and that provides for compensation being paid to dependants of the workman who has died up-

country without undergoing any medical examination whatever. I contend, Sir, that this Council has never had a Bill before it containing such contradictory clauses. Sub-section (1) provides for the medical examination of an injured workman; then we come to sub-section (3) which provides that he can go away without being medically examined, but it does certainly provide that he should be medically examined afterwards before he can claim compensation. Sub-section (4), the new sub-section provides nothing in the way of a medical examination. So, I contend, Sir, that this clause as it now stands, invites the workman not to present himself for medical examination at all. He can get compensation both ways. He can go away to his country; if he recovers, he comes back and claims compensation for the injury. He can go away to his country, and if he dies, his dependants can claim compensation also. No doubt Government will point out that the Commissioner has discretionary powers in this matter. But I ask Honourable Members what Commissioner is likely to refuse to pay compensation, a claim for which is put forward by the dependant of a man who has died up-country, a man who may or may not have been known to have been injured? The cause of his death is entirely unknown. It may or may not have arisen from his injury; it may have been from some totally different cause altogether. Labourers in this country are extraordinary people to deal with. I have found that on many occasions. Labourers in this country—I do not say it does not obtain in other countries, probably it does,—labourers in this country are well-known as being able exponents of malingering. Now I can well conceive such a thing as this happening in connection with this sub-section (4). A man working in a factory finds that he is suffering from an incurable ailment, it may be cancer or may be anything else that is incurable. He knows he is going to die. Either he or his relations conceive the idea of securing some money. He procures a small accident, he gives notice of this accident, goes away up-country, and in due course he dies. Claims are received by the Commissioner on his death, supported by a medical certificate that his death arose out of the accident which occurred before he left for his country. Well, Sir, I do not place very much faith in medical certificates in this country, and I think that Honourable Members will agree with me that too much dependence cannot be placed on such documents. That, I merely quote, Sir, as one of the ways in which the sub-section (4) will provide a very wide opening for fraud. In objecting to this sub-section, I submit I am not arguing against the interest of the workmen. This Bill is a progressive Bill, it might be described as an educative Bill, and I do not see why it should not be used as a method of educating the workmen so that they may take advantage of the medical assistance offered to them immediately they are injured. This, Sir, was undoubtedly the intention of the Joint Committee when they considered this Bill, and as a Member of that Joint Committee I repeat that that was our intention.

I will not labour this point any further, Sir. I spoke on this subject on Tuesday last, but I should like to say one word more before I resume my seat. The Honourable Mr. Chadwick when presenting this Bill for

consideration on Tuesday last informed the House that the Bill, as originally drafted, was circulated to the various Provincial Governments and to various bodies throughout this country for their opinion. If I remember rightly, the Honourable Mr. Innes confirmed this when he spoke. This action on the part of Government was a very right and proper one. Now, Sir, I contend, is it right and proper for Government to have now amended one of the most important clauses of this Bill by introducing a sub-section, which to my mind is a most objectionable sub-section, and which has not been circulated throughout the country nor has been placed before the various Provincial Governments and various bodies interested for their opinion? Nor was this sub-section even discussed in the powerful Joint Committee which sat on this Bill. Sir, I should be the last to wish to describe any action on the part of the Department of Commerce as unfair. To my mind, such a description is unthinkable in connection with the Department presided over by the Honourable Mr. Innes and his able lieutenant the Honourable Mr. Chadwick. But I do not think that on this occasion the Department of Commerce has been wrong, and entirely wrong.

Sir, I do not propose to oppose the passing of the Bill, but I sincerely hope that Government will take the opportunity in another place of putting this matter right.

THE CRIMINAL LAW AMENDMENT BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 1st March 1923.—(P. 1081.)

THE HONOURABLE SIR ARTHUR FROM.—Sir, I think that as a non-official European elected Member of this Council—the only one in this Council at present—it is but fitting that I should rise at this stage to express my cordial approval of this Bill. The Bill presents itself, Sir, to me not so much in the light of a compromise to which word I am not particularly partial, but rather as the outcome of a studied spirit of concession from two opposite schools of thought. This spirit of concession, characterised as it has been by marked restraint, has been very welcome and to my mind augurs well for the future progress of reforms in this country. I sincerely express my approval of this Bill.

RESOLUTION RE: RIGHTS AND STATUS OF INDIANS IN KENYA COLONY.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 5th March 1923.—(Pp. 1110 and 1111.)

THE HONOURABLE SIR ARTHUR FROM.—Sir, the views of many Members of this Council, if not of all the Members of this Council, have

been put forward with such clarity by my Right Honourable friend Srinivasa Sastri that I do not propose further to enlarge upon them now. But, Sir, I must say that I do not quite understand how far this Resolution is intended to go. It appears on the paper before us in three paragraphs. The first paragraph of the Resolution: "Recommends to the Governor-General in Council that he be pleased to convey by telegraphic message to His Majesty's Government" and so on, down to the words "European settlers". Then we come to the second paragraph and I do not follow whether the second paragraph is also intended to be telegraphed. As the Resolution reads, it does not. Then we come to the third paragraph. It is not at all clear whether the Council merely wishes to record its emphatic conviction that no restriction on new immigration from India will be acceptable to public opinion here or whether that is also intended to be telegraphed. As the Resolution is framed, I submit, Sir, that only the first paragraph is required to be telegraphed. What the Council is supposed to understand from the second and third paragraphs is not at all clear.

DISCUSSION OF THE BUDGET FOR 1923-24.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 7th March 1923.—(Pp. 1147-9.)

THE HONOURABLE SIR ARTHUR FROM.—Sir, at the outset I should like to associate myself with the expression of welcome uttered by my friend the Honourable Mr. Lallubhai Samaldas, to the Honourable Sir Basil Blackett on his first appearance in this House which has been described as the House of Elder Statesmen. Elder, yes; statesmen, we hope.

Sir, when I first received the Budget, it at once occurred to me that one important thing arising out of it would be that it presented but little material for discussion. I do not know that my impression has since been altogether justified here. The Budget seemed to me to be rather in the light of a colourless one. In so describing it I do not mean to adversely criticise it; I think it has come up to the expectations of the people of this country, although perhaps it has not exceeded them. I am in entire agreement with the Honourable the Finance Member in his emphatic views of the necessity of providing for the estimated deficit of 4½ crores. Not to provide for this deficit would not only be unstatesmanlike, but it would be unbusinesslike, and it is unthinkable that the legislature should add in any way to the regrettable total of 100 crores, which represents the deficits ranging over a period of 5 years.

The expenditure side of the Budget should not, I think, be discussed in detail. I regard it as being sub-judice until the recommendations

of the Inchcape Committee can be tried or given full effect to. We shall see probably next year the result of those recommendations as applied to the expenditure throughout the country and I have every hope that the result will be gratifying to the full to both Houses.

We now come to the revenue side or rather to the task which presented itself to the Honourable the Finance Member of providing extra revenue to meet the estimated deficit of $4\frac{1}{2}$ crores, and, as was, I think, anticipated throughout the country, he has turned again to the Salt Tax. Well, Sir, I gave my opinion on this salt tax just about a year ago. I have reflected on it since, and I must at once say that I see no reason to change the opinion I then expressed. I have never met anybody in this Council who has been able to convince that an extra Re. 1-4-0 per maund excise on salt would be oppressive to anybody in this country. It should be viewed, I consider, side by side with figures, and I understand that if you apply figures to the proposed advance in the salt tax, the result is an increase of not more than 4 annas per person per annum. I am unable to believe that that can be oppressive. One Honourable gentleman this morning more or less admitted that it was not oppressive, he said it was sentimental. Sentimental! I ask him, is not the country of India being educated and is it not time now to neglect sentiment when you want to obtain revenue? The Honourable Mr. Lalubhai Samaldas opposed the salt tax and then very rightly made various suggestions as to how the salt tax should be replaced. I much admire him for this, because I do think that, when any Honourable Member wishes to have withdrawn a tax proposed by the Finance Department, it is up to him to make some constructive proposal in its place. Amongst the proposals made by the Honourable Mr. Lalubhai Samaldas was one that I did not quite understand. It was a tax on the gross freight income of ships. I have not the foggiest notion of what that means. Ships pay income-tax in India now and what other tax does the Honourable Member mean? It is quite true that up to a few years ago ships not registered in India did not pay income-tax, but they do now, and the tax that they pay is a very appreciable increase to the revenue of this country.

Well, Sir, I do not propose to speak very long. I have already expressed my opinion of the salt tax and, therefore, I have no other suggestion to make of any other increased tax.

A few days ago I received a telegram from the Western India Motor Trade Association; I have no doubt others, and possibly the Finance Department, have received similar telegrams. I should not refer to it, Sir, except that I am in entire sympathy with the views of that Association. To describe motors in these enlightened and progressive days as a luxury is, I say, entirely wrong. (The Honourable Mr. E. M. Cook. "Who describes them as a luxury?") It is included under the luxury tax of 30 per cent. (The Honourable Mr. E. M. Cook: "It is not a luxury.") I say the tax of 30 per cent. ought to be reduced and materially reduced. The deductions arrived at and given by the Honourable the Finance Member that the imports this year, or as far as we

have gone this year, 1922-23, are in excess of the imports of motor cars in the previous year are, no doubt, entirely correct, but they give an entirely false impression. There was a post-war boom in motors and some few years previous to the year 1921-22 there was a tremendous import of motors into this country. Those who have met anybody connected with the motor trade know how very badly bitten some of the motor traders were. In 1921-22 the import of motor cars was reduced enormously as it comprised a period when the traders tried to get rid of the cars that they had imported during the boom. Therefore, 1921-22 is not a fair year to compare with the present year. I feel sure that this outcry from this trade would not have been so bitter if there was not full justification for it. I repeat that motor cars, motor transport, the accessories of motor cars, tyres and so on are not in these days a luxury. We should remember that not so many years ago travelling by railway train was considered a luxury, and look at railway travelling now. We have got to be progressive in this matter, and I do hope that the Finance Department will re-consider this duty of 30 per cent. on motor cars and their accessories. The amount involved is a mere fleabite in the finances of the Central Government, but it is a real thing to the motor industry.

I have listened with interest to the remarks of my Honourable friend Sir Manekji Dadabhoy. Naturally we should all like the super-tax and the income-tax reduced, but I am not quite sure that I feel justified in pressing for this year.

Next year we hope Personally I hope as early as possible will be next year.

With these few remarks, Sir, I have nothing to say against the Budget. I support the salt tax this year as I did last year. I am entirely unconvinced that it is an oppressive tax. With the salt tax the Honourable the Finance Member will be able to budget for the estimated deficit, and I sincerely hope that the businesslike instincts of Honourable Members of this House will not allow sentiment to outweigh their commonsense.

INDIAN FINANCE BILL.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 23rd March 1923.—(Pp. 1368-69.)

THE HONOURABLE SIR ARTHUR FROM.—Sir, I am sure all the members of the Council were very thankful when my Honourable friend Sir Alexander Murray rose to speak in his usual optimistic manner and also equally thankful when my Honourable friend Sir Umar Hayat Khan

followed and gave utterance to his cheery speech because after listening to my Honourable friend Sir Manekji Dadabhoy such a gloom of depression came over the House that if he had continued very much longer, I think I should almost have had to retire. I do not see there is any occasion for this depressing gloom. The Bill is perfectly straightforward. It certainly comes to us with a recommendation from the Viceroy and Governor-General, but this does not restrict a discussion on the amendments before us in connection with the Bill. It is entirely open to the Honourable Members of this Council to vote according to their honest convictions. If they disapprove of the amendments, presumably they will vote against them, and if they approve of them, presumably they will vote for them.

In my opinion, Sir, the Budget should be balanced, and I think that is the opinion of most members of this Council. You cannot expect Government to go on with an unbalanced budget year after year, year after year. They must stop some times; and I cannot help thinking that this is the time when the deficit should be stopped, for the reason Government have this year cut very deeply into their expenditure. The retrenchments as recommended by the Retrenchment Committee have been followed very fully with a promise of being pursued still further; and it is possible it will be found in some cases that the cuts have been too deep. Is it not necessary that we should avoid a revenue deficit when we have been cutting so deeply into the expenditure side? We may be faced with a possibility that in some Department of Government the cut has been too deep, and if continued for say one, two or three years then in the fourth year it would be very much more costly to restore the Departments than if they had been kept up annually during the period I have referred to. That is an obvious recognition in business. If, say, you do not keep up your mills, if you allow the upkeep of your mills to slide over a certain number of years, at the end of those years you will find it will cost you very much more to restore the mills into proper working order than if you had kept them up annually to their best working condition. Therefore with these deep cuts I contend that we must have a full revenue and we must balance our budget.

My friend, the Honourable Mr. Lalubhai Samaldas, expressed some resentment at what he thought was a suggestion from the Finance Secretary that the Legislature were responsible for the 100 crores of deficit extending over the past five years. The Finance Secretary apparently made no such suggestion, but my friend the Honourable Mr. Lalubhai resented any such implication, and in doing so, he immediately revealed his innermost feeling that he did not like a deficit (Honourable Mr. Lalubhai Samaldas: "I said if we could help it"), although he went on to say he thought there was no reason why there should be a deficit this year.

I thoroughly agree with the remarks made by the Honourable Sir Alexander Murray as regards the rather remarkable rise in Government securities during the past few days. We were both thinking alike.

I jotted down the same thing in my notes that he did. I am of opinion that the rise was due to the anticipation that the Government this year would balance its budget.

One word more. Sir. We have heard one or two Members utter words of warning to the Government on this question of salt. Now I have spoken to many Indian friends,—and I have a number of Indian friends—I have invited argument with them; I have invited it in order that I should be convinced that this salt tax is oppressive to the poor man, and the majority of my Indian friends have said, “No it is not an oppressive tax, but sentiment is against it.” I have mentioned that before. I think my Honourable friend on my right told me it was felt to be oppressive a number of years ago. But a number of years ago the poor man was in very different circumstances to what he is in now. His income was very much smaller. I appeal to the Honourable Members who really feel that this salt tax is not going to be oppressive, I appeal to them, not merely to give utterances of warning to Government, and if there were some little trouble not to stand aside and say “I told you so”. Would it not be a better action to try and put their constituencies right, to point out to them that this salt tax is not an oppressive tax, and to educate the people to realise that they are asked to subscribe their mite, a very small mite, to the upkeep of this great country in which they live.

DEATH OF SIR AHMEDTHAMBY MARICAIR.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 13th February 1924. (P. 207).

THE HONOURABLE SIR ARTHUR FROOM.—Sir, I also should like to associate myself with the expressions of regret that have fallen from the lips of the various Members of this Council at the sad news which you have just announced. But a few days ago, when I was in Madras, the Honourable Sir Ahmedthamby Maricair gave evidence before the Committee on which I have the honour to serve. He then seemed full of vigour and gave his evidence in his usual hearty and downright manner and it comes as a considerable shock to me to hear of his sudden death.

UNEMPLOYMENT IN INDIA.

Extract from the Proceedings of a Meeting of the Council of State held at Delhi on the 18th February 1924.

THE HONOURABLE SIR ARTHUR FROOM.—Sir, while the Honourable Mover of this resolution has my entire sympathy in his declamations of horror of the distress arising out of unemployment, I cannot support

his Resolution. The Government of India's shoulders are very broad and many burdens are laid upon them, but I think this question of unemployment in the various provinces of India must be, and rightly should be, considered a matter for the concern of the various Provincial Governments. Each Government in this respect should set its own house in order. Having said this much, Sir, it might be expected that I should at once resume my seat, but there are just one or two points in the Honourable Mover's speech to which I would like to draw the attention of this Council. The first is the Honourable Mover mentioned that he first drafted this Resolution rather more than a year ago, but he did not move it then for some purposes which I did not quite follow. He then went on to emphasize the havoc brought about by the Retrenchment Committee's Report. Now, the Retrenchment Committee's report and the action thereon has taken place since he first put his Resolution on paper. Therefore, I cannot follow his arguments in that respect. Unemployment must have been rife according to the Honourable Mover of this Resolution in this country before any effect was given to the Retrenchment Committee's report. Again, the Retrenchment Committee was constituted on the recommendation both of this Council and from another place. Honourable Members of both Houses expressed their fear of the ever increasing expenditure of this country. A Retrenchment Committee was formed and their advice in many respects, if not in all, has been followed and the result has been—I think all Members will agree—a considerable reduction in expenditure. Having achieved this reduction of expenditure, we have now one Honourable Member of this Council standing forth and speaking against the unemployment arising from it. In fact, I think he went so far as to say that we should reintroduce in the staff of many departments those clerks who have been axed as being in excess of what is required. That is hardly an economical proposition. We are all very sorry that those clerks are out of employment, but the Honourable Member's suggestion to inflate the clerical staff of the various departments seems to me at once ridiculous and unpracticable. Again, the Honourable Member referred to the present very unfortunate mill strike in Bombay. The reasons he suggested for the strike I did not quite gather, but he mentioned something about the high price of cotton. He went on to say that if the various proposals he put forward to reduce unemployment were adopted, the millowners of Bombay would find that their labour would cheerfully accept lower wages. I would like to point out to this Honourable Council that the whole and sole reason of the mill strike in Bombay is that labour is objecting to accept lower wages at the present time. The point at issue in connection with the mill strike in Bombay was that in their prosperous years the mills have been in the habit of giving a month's bonus a year to their employees. The mills in Bombay consider they are not having prosperous years now and they have withheld the month's bonus with the result that the men say they are entitled to it. That is the long and short of the mill strike in Bombay. The men object to forego their bonus. Their actual wages have not been reduced, but they consider they have a claim to the bonus which

was given to them in prosperous years. I hold no brief for the mill-owners of Bombay but I thought the Council would like to know the exact state of affairs there. Again, the Honourable Member suggested that industries should be bolstered up and that dividends should be guaranteed by Government. I ask the Honourable Members of this Council if that is a practical proposition. Are we going to keep down the expenditure of the Central Government by adopting such suggestions? As I have said in the beginning of my few remarks, I sympathise with the Honourable Member in his horror of unemployment. Unfortunately, there is unemployment in many other countries. We have got very serious unemployment in my own country. It is a problem before many Governments. It is a most difficult problem. I cannot see its solution from any of the suggestions made by the Honourable Member from Madras, and I cannot see that he can rightly lay the burden of its solution on the Central Government. It is a matter for the Provincial Governments to inquire into and to set their own house in order as soon as they can as regards unemployment in the provinces.

STATEMENT showing the Annual Value of the Import Trade of British India, and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Official Year.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.
1871 ...	5074	1870-71 ...	33,41,39,060	5,44,48,231	38,85,87,291
1872 ...	5369	1871-72 ...	31,08,37,470	11,67,58,129	42,65,75,699
1873 ...	5697	1872-73 ...	31,26,05,610	4,55,65,850	35,81,71,460
1874 ...	6226	1873-74 ...	32,59,58,730	5,79,25,336	38,38,84,066
1875 ...	6541	1874-75 ...	36,22,21,130	8,14,10,466	44,36,31,597
1876 ...	6860	1875-76 ...	38,88,78,404	5,36,07,218	44,18,80,622
1877 ...	7320	1876-77 ...	37,44,06,308	11,43,61,197	48,87,67,505
1878 ...	8217	1877-78 ...	41,46,41,851	17,85,54,596	58,81,96,447
1879 ...	8494	1878-79 ...	37,80,09,835	7,05,67,486	44,85,77,321
1880 ...	9162	1879-80 ...	41,17,25,671	11,65,48,948	52,8274,619
1881 ...	9890	1880-81 ...	53,08,68,074	8,99,72,139	62,08,40,213
1882 ...	10149	1881-82 ...	49,11,38,724	11,32,27,804	60,43,56,528
1883 ...	10458	1882-83 ...	52,09,86,720	13,45,38,042	65,55,20,862
1884 ...	11631	1883-84 ...	55,29,89,907	12,37,79,633	68,17,69,540
1885 ...	12283	1884-85 ...	55,70,16,804	13,88,81,918	69,58,98,722
1886 ...	12892	1885-86 ...	55,65,19,552	15,46,70,808	71,11,90,360
1887 ...	14103	1886-87 ...	61,81,19,608	11,04,38,224	72,86,02,832
1888 ...	14576	1887-88 ...	65,00,45,881	13,81,25,456	78,81,71,337
1889 ...	15887	1888-89 ...	69,43,77,581	13,84,49,949	83,28,26,730
1890 ...	16401	1889-90 ...	69,19,93,762	17,45,45,087	86,65,38,799
1891 ...	17308	1890-91 ...	71,97,57,754	21,98,44,876	93,91,02,630
1892 ...	17815	1891-92 ...	69,42,75,659	14,72,26,621	84,15,02,280
1893 ...	18504	1892-93 ...	66,27,86,222	17,00,98,101	83,28,84,323
1894 ...	18900	1893-94 ...	77,02,60,944	18,46,12,564	95,48,73,508
1895 ...	19547	1894-95 ...	73,51,65,042	9,58,12,084	83,09,77,126
1896 ...	20254	1895-96 ...	72,93,61,844	13,86,79,854	86,30,41,198
1897 ...	21115	1896-97 ...	76,21,58,352	13,08,45,635	89,30,03,987
1898 ...	22040	1897-98 ...	73,63,43,159	20,53,06,170	94,16,49,329
1899 ...	23523	1898-99 ...	72,11,07,161	17,89,56,127	90,00,63,288
1900 ...	24752	1899-1900 ...	75,30,44,785	20,97,36,851	96,27,81,636
1901 ...	25363	1900-1901 ...	80,89,40,873	24,67,61,818	1,05,47,02,691
1902 ...	25981	1901-1902 ...	88,74,24,199	20,87,13,352	1,09,61,37,551
1903 ...	26956	1902-1903 ...	85,86,60,829	25,31,83,178	1,11,18,44,007
1904 ...	27565	1903-1904 ...	92,59,22,723	38,52,61,072	1,31,11,83,795
1905 ...	28295	1904-1905 ...	1,04,41,27,454	39,50,81,750	1,43,92,09,204
1906 ...	29097	1905-1906 ...	1,12,07,09,822	31,65,14,488	1,43,72,24,260
1907 ...	30010	1906-1907 ...	1,17,34,15,294	44,57,98,114	1,61,82,13,408
1908 ...	30576	1907-1908 ...	1,36,53,80,464	42,38,44,977	1,78,82,25,441
1909 ...	31490	1908-1909 ...	1,28,77,81,788	23,74,41,677	1,51,52,23,465
1910 ...	32099	1909-1910 ...	1,22,64,97,224	37,52,34,734	1,60,17,31,958
1911 ...	32839	1910-1911 ...	1,33,70,57,458	39,77,35,730	1,73,47,93,188
1912 ...	33484	1911-1912 ...	1,44,05,54,383	53,47,08,480	1,97,52,62,863
1913 ...	34656	1912-1913 ...	1,66,62,96,807	61,83,17,586	2,28,46,14,343
* 1913-14 ...	34656	1913-1914 ...	1,91,30,79,586	43,43,96,503	2,34,74,76,089
* 1914-15 ...	35285	1914-1915 ...	1,44,93,07,207	21,80,83,236	1,66,73,90,443
* 1915-16 ...	35833	1915-1916 ...	1,38,16,93,032	11,94,62,390	1,50,11,55,422
* 1916-17 ...	36286	1916-1917 ...	1,60,34,89,599	37,71,08,121	1,97,95,97,720
* 1917-18 ...	36333	1917-1918 ...	1,64,35,48,949	†.....	†.....
* 1918-19 ...	36616	1918-1919 ...	1,38,56,24,317	71,36,55,075	2,59,92,79,392
* 1919-20 ...	36735	1919-1920 ...	2,21,70,24,425	78,28,88,554	2,99,94,12,979
* 1920-21 ...	37029	1920-1921 ...	3,47,13,52,122	84,76,34,963	3,81,89,87,084
* 1921-22 ...	37266	1921-1922 ...	2,82,59,75,453	31,29,90,526	3,13,89,65,979
* 1922-23 ...	37618	1922-1923 ...	2,46,19,24,109	63,57,96,096	3,09,77,20,205

* Official year ending 31st March.

† Figures not available.

STATEMENT showing the Annual Value of the Export Trade of British India, and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Official Year.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.
1871 ...	5074	1870-71 ...	55,38,18,252	2,22,07,646	57,55,25,898
1872 ...	5369	1871-72 ...	63,18,56,474	1,47,60,935	64,66,19,409
1873 ...	5697	1872-73 ...	55,23,62,958	1,29,80,790	56,53,43,748
1874 ...	6226	1873-74 ...	51,96,07,865	1,31,40,711	56,87,48,576
1875 ...	6541	1874-75 ...	56,35,92,404	1,62,53,091	57,98,45,495
1876 ...	6860	1875-76 ...	58,09,14,946	2,20,02,363	60,29,17,309
1877 ...	7320	1876-77 ...	61,01,38,912	4,02,98,978	65,04,37,890
1878 ...	8217	1877-78 ...	65,22,23,282	2,21,09,956	67,43,33,238
1879 ...	8494	1878-79 ...	60,98,68,769	3,98,22,233	64,91,91,053
1880 ...	9162	1879-80 ...	67,21,07,406	2,03,51,479	69,24,58,885
1881 ...	9890	1880-81 ...	74,54,09,072	1,44,04,408	75,98,13,480
1882 ...	10149	1881-82 ...	81,96,64,102	1,09,97,468	83,06,61,573
1883 ...	10458	1882-83 ...	83,48,49,372	1,04,18,488	84,52,67,860
1884 ...	11631	1883-84 ...	88,07,64,315	1,00,84,937	89,08,49,252
1885 ...	12283	1884-85 ...	83,17,01,607	1,96,89,796	85,13,91,303
1886 ...	12892	1885-86 ...	83,86,11,693	1,10,82,310	84,96,94,003
1887 ...	14103	1886-87 ...	88,48,10,854	1,72,04,261	90,20,14,615
1888 ...	14576	1887-88 ...	90,54,36,468	1,60,46,242	92,14,82,700
1889 ...	15887	1888-89 ...	97,06,02,386	1,78,48,819	98,84,46,205
1890 ...	16401	1889-90 ...	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891 ...	17308	1890-91 ...	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892 ...	17815	1891-92 ...	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893 ...	18504	1892-93 ...	1,06,57,46,716	6,95,89,237	1,13,53,35,952
1894 ...	18900	1893-94 ...	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895 ...	19547	1894-95 ...	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896 ...	20254	1895-96 ...	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897 ...	21115	1896-97 ...	1,13,98,36,184	4,93,74,955	1,08,92,11,139
1898 ...	22040	1897-98 ...	97,63,51,862	7,14,86,470	1,04,78,38,272
1899 ...	23523	1898-99 ...	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900 ...	24752	1899-1900 ...	1,09,11,36,448	7,95,63,876	1,17,07,0,324
1901 ...	25363	1900-1901 ...	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902 ...	25931	1901-1902 ...	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903 ...	26956	1902-1903 ...	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904 ...	27565	1903-1904 ...	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905 ...	28295	1904-1905 ...	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ...	29097	1905-1906 ...	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ...	30010	1906-1907 ...	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ...	30576	1907-1908 ...	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ...	31490	1908-1909 ...	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ...	32099	1909-1910 ...	1,87,88,04,410	6,39,90,403	1,94,22,94,813
1911 ...	32839	1910-1911 ...	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ...	33481	1911-1912 ...	2,27,98,82,825	10,37,39,063	2,38,36,21,388
1913 ...	34656	1912-1913 ...	2,46,21,83,342	10,63,17,856	2,56,85,00,998
*1913-14.	34656	1913-1914 ...	2,49,00,74,896	7,08,28,860	2,56,09,03,746
*1914-15.	35285	1914-1915 ...	1,82,17,60,256	5,28,94,370	1,87,46,54,626
*1915-16.	35833	1915-1916 ...	1,99,48,08,975	8,22,57,819	2,07,70,61,794
*1916-17.	36286	1916-1917 ...	2,47,31,10,343	6,29,72,057	2,53,60,82,400
*1917-18.	36333	1917-1918 ...	2,44,89,45,239	†.....	†.....
*1918-19.	36616	1918-1919 ...	2,55,32,02,610	9,01,03,571	2,64,33,06,181
*1919-20.	36735	1919-1920 ...	3,32,75,78,755	13,67,97,719	3,46,43,76,474
*1920-21.	37029	1920-1921 ...	2,67,64,36,175	26,17,12,640	2,93,86,48,815
*1921-22.	37266	1921-1922 ...	2,48,65,76,106	19,06,73,144	2,67,72,49,250
*1922-23.	37618	1922-1923 ...	3,16,07,16,915	3,01,71,845	3,19,08,88,760

* Official year ending 31st March.

† Figures not available.

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1917-1918 to 1922-1923.

	1917-1918.	1918-1919	1919-1920.	1920-1921.	1921-1922.	1922-1923.
IMPORTS--						
Merchandise, Private.						
Bengal ...	58,39,22,492	64,04,52,684	83,76,89,2531	1,19,81,13,485	1,03,72,94,662	83,51,98,261
Bombay ...	56,84,34,102	71,10,09,138	78,92,69,570	1,28,15,40,356	96,45,42,291	88,24,31,072
Sind ...	13,13,82,135	11,52,85,283	17,09,31,171	34,89,68,691	26,16,39,049	20,68,66,664
Madras ...	12,20,10,804	11,76,93,512	13,37,89,525	24,96,65,667	20,87,24,221	20,28,66,550
Burma ...	9,83,01,572	10,59,00,514	14,80,64,421	27,97,00,213	20,12,78,199	20,62,35,346
Total	1,50,42,51,105	1,69,03,41,421	2,07,97,23,940	3,35,59,88,412	2,66,34,63,422	2,82,70,76,893
Ditto Government Stores ...	13,92,97,844	19,52,82,896	19,78,00,485	11,53,68,710	16,25,12,031	18,48,47,216
Total Merchandise	1,64,35,48,949	1,88,56,24,317	2,27,75,24,425	3,47,13,57,122	2,82,59,75,453	3,01,19,24,109
Treasure, Private.						
Bengal ...	Figures not available.	2,06,397	3,81,91,347	1,21,96,178	69,16,999	3,06,32,895
Bombay ...	Figures not available.	1,18,73,328	7,17,16,469	21,78,23,850	80,20,54,757	59,17,53,723
Sind ...	Figures not available.	1,23,921	1,59,186	20,17,973	22,00,258	31,13,219
Madras ...	Figures not available.	177	1,64,614	13,57,999	96,866	23,93,987
Burma ...	Figures not available.	1,404	380	7,68,642	3,28,062	26,96,743
Total	...	1,22,10,127	11,12,31,996	23,41,64,542	31,14,96,936	63,04,40,017
Ditto Government ...	...	70,14,41,948	67,11,56,558	11,34,70,420	14,93,590	53,56,079
Total Treasure	...	71,35,55,075	78,23,88,554	34,76,34,962	31,22,90,526	53,57,96,096
Grand Total of Imports	...	2,59,92,79,392	2,99,94,12,979	3,81,89,87,084	3,13,89,66,979	3,09,77,20,205

Exports—

Merchandise, Private.

(Foreign Goods)

Bengal	...	...	...	...	31,19,781	70,63,152	2,31,27,861	2,98,54,576	1,10,90,540	1,16,89,403
Bombay	...	...	...	...	6,58,75,719	10,50,35,801	12,09,02,024	11,93,73,683	10,23,28,828	10,87,66,945
Sind	...	...	...	...	1,90,51,281	2,76,56,926	3,80,31,643	2,62,75,365	2,39,16,680	2,58,45,910
Madras	...	...	...	...	25,13,452	40,30,498	48,50,424	37,10,767	27,68,005	39,81,282
Burma	...	...	...	...	5,88,229	17,55,049	8,68,173	12,20,525	15,00,577	13,49,736
Total	...	...	...	...	9,12,03,462	14,55,63,026	17,77,80,125	18,04,34,866	14,06,31,125	15,16,33,276

Indian Produce and Manufactures.

[illegible]

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1917-18 to 1922-23—(continued.)

	1917-1918.	1918-1919.	1919-1920.	1920-1921.	1921-1922.	1922-1923.
Total Fgn. and Indian Merchandise exported.						
Bengal	87,00,34,353	1,05,73,40,367	1,39,78,95,657	1,11,34,46,499	90,46,11,089	1,19,08,37,000
Bihar and Orissa	82,79,88,028	76,62,58,002	1,18,19,60,192	77,52,61,379	82,44,55,305	2,82,480
Bombay	30,86,24,811	22,90,39,216	18,32,33,524	20,87,19,386	15,20,18,357	1,02,91,11,217
Sind	21,23,08,098	24,24,14,233	35,64,92,011	32,87,45,632	24,67,20,410	24,70,79,478
Madra	20,72,91,296	24,97,61,654	19,98,43,915	26,03,84,793	32,66,29,851	28,58,49,749
Burma	3,42,55,51,585	3,58,88,18,522	3,26,79,81,299	2,58,05,67,489	2,45,44,35,612	89,76,81,384
Total	2,33,93,634	1,43,89,088	5,96,47,450	9,58,78,686	3,21,41,094	1,74,64,317
Ditto Government Stores	2,44,89,45,219	2,55,32,02,610	3,32,75,78,755	2,67,64,36,175	2,48,55,76,106	3,16,07,16,915
Total Merchandise	Figures not available.	14,808	2,978	3,32,97,349	44,01,071	2,50,334
Treasure, Private.						
Bengal	Figures not available.	2,68,68,203	7,21,92,729	22,10,94,624	18,26,13,781	2,32,03,395
Bombay	Figures not available.	2,68,68,203	30,00,000	23,00,000	15,93,000	40,77,100
Sind	Figures not available.	2,68,68,203	30,00,000	11,85,616	1,48,610	2,31,385
Madras	Figures not available.	2,68,68,203	30,00,000	2,67,080	11,75,554	45,264
Burma	Figures not available.	2,68,68,203	7,51,95,707	25,80,14,669	18,99,32,016	2,78,13,278
Total	Figures not available.	2,68,68,203	7,51,95,707	25,80,14,669	18,99,32,016	2,78,13,278
Ditto Government	Figures not available.	2,68,68,203	6,16,02,012	36,97,971	7,41,128	23,58,567
Total Treasure	Figures not available.	2,68,68,203	13,67,97,719	26,17,12,640	19,06,73,144	3,01,71,845
Grand Total of Exports	Figures not available.	2,68,68,203	13,67,97,719	26,17,12,640	19,06,73,144	3,01,71,845

* Figures not available.

EXPORTS OF PIECE-GOODS AND YARNS.

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STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Piece-Goods and Yarns since 1897.

Years ending 1st Dec.	Grey and White Piece-Goods.			Coloured Piece-Goods.			Total Piece-Goods.			Yarns.	
	Packages.	Yards.	Lbs.	Packages.	Yards.	Packages.	Packages.	Yards.	Lbs.*	Bales.	Lbs.
1897.....	69,718	101,126,083	25,162,666	5,619	8,422,451	75,337	75,337	109,548,634	27,387,133	461,260	181,184,351
1898.....	69,026	99,258,706	24,768,678	6,177	9,072,326	75,203	75,203	108,341,032	27,085,958	558,681	218,724,607
1899.....	84,208	122,867,108	29,819,677	8,513	12,842,638	92,761	92,761	135,049,046	33,912,411	681,089	269,569,281
1900.....	74,415	116,955,481	28,168,912	9,516	13,603,237	83,981	83,981	132,557,718	33,139,429	846,503	316,571,588
1901.....	84,825	136,900,064	33,085,159	12,628	19,963,569	97,148	97,148	156,263,733	39,065,933	642,082	254,317,562
1902.....	89,216	141,252,169	34,907,248	15,944	24,609,384	105,160	105,160	165,888,553	41,464,638	674,490	265,018,980
1903.....	86,888	148,054,079	34,798,444	20,340	32,436,521	107,178	107,178	175,490,600	43,872,650	725,858	285,970,007
1904.....	103,730	171,097,232	42,941,062	24,328	37,864,072	138,058	138,058	208,891,804	52,292,851	580,847	229,480,205
1905.....	113,474	189,238,879	49,406,422	24,847	41,283,870	138,821	138,821	230,584,749	57,646,187	750,639	297,889,194
1906.....	107,675	186,018,348	48,719,679	24,845	42,635,322	132,220	132,220	228,694,270	57,168,567	708,006	278,821,792
1907.....	128,967	222,806,938	60,617,174	31,486	51,605,289	155,453	155,453	273,912,252	68,478,063	808,080	341,086,783
1908.....	120,800	215,038,637	60,862,003	30,997	50,792,342	151,297	151,297	266,491,029	66,692,757	593,621	234,484,640
1909.....	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	181,246	319,744,217	79,986,064	836,329	252,460,745
1910.....	136,972	250,488,940	68,312,314	45,333	75,673,845	182,305	182,305	326,163,785	81,540,946	656,999	228,758,976
1911.....	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	176,601	313,450,074	78,462,518	403,214	158,832,640
1912.....	126,481	231,975,527	66,009,051	64,169	107,289,328	190,550	190,550	339,266,455	84,816,614	579,281	228,759,617
1913.....	97,005	177,239,570	50,527,978	55,071	92,467,557	132,076	132,076	289,707,227	67,426,327	518,280	205,207,902
1914.....	91,837	169,515,937	49,861,518	42,084	72,602,270	133,921	133,921	242,118,207	60,529,552	437,159	173,172,953
1915.....	108,556	199,968,079	58,350,926	61,046	103,083,383	170,001	170,001	303,006,412	76,751,603	471,895	186,585,698
1916.....	175,923	248,236,445	70,956,464	82,818	139,615,632	238,741	238,741	337,942,977	96,985,744	410,972	162,627,300
1917.....	111,816	176,384,869	46,119,953	86,369	148,290,803	198,754	198,754	326,325,672	81,306,418	373,187	147,167,250
1918.....	94,071	158,463,774	40,025,968	71,424	126,068,308	165,495	165,495	279,527,082	69,881,770	193,275	76,599,059
1919.....	132,112	219,843,338	56,536,165	116,313	202,280,277	248,426	248,426	421,629,365	105,407,491	372,212	146,832,081
1920.....	149,552	241,230,910	61,432,863	157,042	120,332,712	306,594	306,594	361,563,022	90,890,755	288,778	118,361,982
1921.....	120,759	212,563,436	53,577,720	99,518	139,672,347	230,257	230,257	372,135,782	93,033,945	314,390	124,310,168
1922.....	158,769	254,292,354	65,928,280	100,581	176,411,422	239,350	239,350	430,703,776	107,675,944	267,711	105,122,886
1923.....	173,381	304,437,403	69,462,982	110,243	180,990,710	263,624	263,624	485,488,118	121,373,029	215,036	83,657,151

* The weights have been arrived at by dividing the length in yards, by 4.23, the average weight of the Grey and Bleached Cloths exported up to 1898, in 1894 and 1895 by 4.22 and in 1896 to 1923 by 4.06 lbs.

*Value of the Imports of Gold and Silver Coin and Bullion into British India
during the year ending 31st December 1923.*

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	25,32,00,803	...	25,32,00,803	12,04,64,816	.....	12,04,64,816
Netherlands	.....	.....	.....	1,550	.....	1,550
France	2,49,82,004	.....	2,49,82,004	14,81,792	.....	14,81,792
Gibraltar	2,90,743	.....	2,90,743	.....	.....	.....
Aden and Dependencies...	48,60,689	.....	48,60,689	4,60,645	1,55,797	6,16,442
Mesopotamia	23,14,460	.....	23,14,460	58,44,872	6,38,000	44,82,873
Arabia	4,73,690	.....	4,73,690	81,75,867	1,00,000	32,75,867
Bahrain Islands	1,47,937	.....	1,47,937	19,01,517	.....	19,01,517
Persia	.....	.....	.....	5,01,762	20,00,000	25,01,762

Henjam Island	...	...	...	...	...	7,500	...	7,500	...	7,500
Ceylon	...	...	...	...	...	314	...	314	...	314
Straits Settlements including Labuan	...	...	...	...	...	1,59,944	...	1,59,944	...	1,59,944
Siam	...	...	...	...	...	11,09,400	...	11,09,400	...	11,09,400
China	...	...	...	...	...	89,70,849	...	89,70,849	...	89,70,849
Egypt	...	...	...	...	...	2,265	...	2,265	...	2,265
Natal	...	...	...	...	...	1,056	...	1,056	...	1,056
Africa, East	...	...	...	...	...	41,76,779	...	41,76,779	...	41,76,779
Mauritius and Dependencies	...	...	...	...	...	55,18,055	...	55,18,055	...	55,18,055
United States of America	...	...	...	...	...	6,97,22,946	...	6,97,22,946	...	6,97,22,946
Australia and New Zealand	...	...	...	...	...	1,13,32,440	...	1,13,32,440	...	1,13,32,440
All other Countries	...	...	...	...	...	...	...	...	...	...
Total	...	...	...	...	...	89,84,38,776	23,27,83,469	23,27,83,469	28,98,737	23,56,77,266

EXPORTS OF TREASURE.

*Value of the Exports of Gold and Silver Coin and Bullion from British India
during the year ending 31st December 1923.*

Countries.	GOLD.			SILVER.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	8,742	...	8,742	2,460	...	2,460
Netherlands	...	...	...	43,401	...	43,401
Mesopotamia	6,92,408	...	6,92,408	19,868	...	19,868
Aden and Dependencies...	...	...	...	...	...	...
Arabia	1,79,394	...	1,79,394	51,62,066	...	51,62,066
Bahrein Islands	61,510	...	61,510	69,87,635	...	69,87,635
Persia	...	...	...	7,38,000	13,075	7,51,075
Benjam Island	27,025	...	27,025	20,29,850	...	20,29,850
Ceylon	...	...	...	98,938	...	98,938
Java	...	...	...	...	...	...
Siam	72,070	...	72,070	14,437	...	14,437
Straits Settlements (including Labuan)	...	...	...	78,000	...	78,000
Federated Malay States	...	...	...	1,43,78,466	...	1,43,78,466
China	...	...	...	...	...	...
Japan	...	...	...	...	...	...
East Africa	95,519	...	95,519	...	...	...
Mauritius and Dependencies	2,14,054	...	2,14,054	70,26,560	...	70,26,560
United States of America	...	...	...	...	...	...
Australia	...	...	...	...	...	...
Natal	...	...	...	...	...	...
All other countries	...	...	...	...	4,500	4,500
Total	13,50,722	...	13,50,722	3,45,74,671	17,575	3,45,92,246

Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay during the year 1923. (From 1st January to 31st December.)

From	Gold.			Silver.			
	Bullion.	Coin.		Bullion.	Coin.		
		Sovereigns and Half Sovereigns.	Other Coin.		Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom ..	19,66,51,233	5,47,77,571	47,775	10,72,13,033	....	2,476	....
Continent of Europe ..	2,49,33,003	2,90,743	....	14,58,577	....	1,650	....
United States of America ..	4,52,96,481	....	2,50,993	6,90,33,248	....	....	....
Egypt ..	....	5,01,312	21,28,079	....	1,319	2,425	....
Australia ..	58,56,234	2,11,77,025	....	36,87,242	....	....	....
China ..	20,14,114	....	....	87,99,546	....	....	....
Japan ..	....	....	....	....	....	....	....
Straits Settlements ..	....	....	....	....	....	30,000	7,812
Persia ..	....	....	....	....	....	8,81,932	....
Mesopotamia ..	1,43,253	58,142	20,39,113	....	10,220	26,76,900	11,35,267
Arabia ..	4,475	3,56,207	2,42,135	12,495	2,21,334	39,48,383	3,56,748
Aden ..	....	47,57,878	1,01,274	156	2,51,022	2,07,565	2,773
Africa ..	1,71,48,395	3,99,905	....	1,056	68,992	1,376	8,56,000
Other Foreign Ports ..	....	....	....	....	....	25,18,500	....
All Indian Ports ..	....	....	....	....	18,517	29,239	....
Total Imports from 1st Janu- ary to 31st December 1923.	29,30,26,191	8,23,19,384	48,09,369	19,92,05,653	5,76,404	97,95,326	23,58,600

Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay during the year 1923. (From 1st January to 31st December.)

To	Gold.				Silver.		
	Bullion.		Coin.		Bullion.	Coin.	
			Sovereigns and Half Sovereigns	Other Coin.		Bullars.	Government of India Rupees.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom ...	8,743	...	...	...	...	...	Rs. 2,460
Continent of Europe...	...	...	...	...	...	10,875	34,615
United States of America	...	...	...	...	...	...	...
Egypt ...	...	...	...	...	...	...	...
Australia ...	...	...	...	...	...	...	...
Japan ...	...	...	...	...	...	...	...
China ...	...	...	...	...	1,43,73,466	...	...
Straits Settlements ...	...	...	72,070	...	...	31,621	...
Persia...	...	...	7,05,118	...	...	...	...
Mesopotamia...	...	...	49,339	...	...	...	19,868
Arabia ...	1,197	1,87,670	...	...	...	2,16,130	...
Aden ...	...	...	...	...	...	...	...
Africa ...	1,360	1,08,999	...	...	...	...	...
Other Foreign Ports...	...	47,307	...	...	...	...	...
All Indian Ports ...	12,500	...	...	...	4,460	72,117	40,00,000
Total Exports from 1st January to 31st December 1923.	23,699	3,43,976	8,26,527	6,01,275	1,49,79,201	3,20,743	1,18,07,150
							56,943

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay.
 [Year ending 30th June.
 In thousands of Bales (000's omitted).]

Year ending 30th June.	Receipts.	EXPORTS TO		Mill Con- sumption.	Total.	Year ending 30th June.	Receipts.	EXPORTS TO		Mill Consump- tion.	Total.
		Europe.	Else- where.					Europe.	Else- where.		
1864	...	867	3	870	1,065	1868	1,472	898	58	951	1,461
1865	...	1,065	1	1,066	1,187	1869	1,851	1,286	46	1,332	1,897
1866	...	1,187	15	1,201	1,277	1890	2,235	1,488	71	1,559	2,195
1867	...	1,277	5	1,282	1,030	1891	2,020	1,070	107	1,172	1,939
1868	...	1,030	48	1,078	1,225	1892	1,770	905	202	1,107	1,835
1869	...	1,225	56	1,281	1,115	1893	1,738	816	169	985	1,709
1870	...	1,115	50	1,165	967	1894	1,769	908	159	1,067	1,798
1871	...	967	89	1,056	1,002	1895	1,540	525	148	668	1,488
1872	...	1,002	48	1,050	1,079	1896	2,151	800	346	1,146	1,995
1873	...	1,079	34	1,113	917	1897	1,612	603	405	1,008	1,711
1874	...	917	34	951	1,311	1898	1,780	424	409	883	1,660
1875	...	1,311	25	1,337	1,192	1899	2,033	578	520	1,098	2,049
1876	...	1,345	20	1,365	1,285	1900	988	117	444	561	1,306
1877	...	1,073	36	1,109	980	1901	1,896	620	340	960	1,656
1878	...	1,141	38	1,179	920	1902	2,142	625	732	1,267	1,987
1879	...	961	46	1,007	846	1903	2,454	921	849	1,270	2,256
1880	...	832	64	896	652	1904	2,151	1,036	423	1,459	1,978
1881	...	1,171	84	1,255	874	1905	2,609	384	664	1,048	2,420
1882	...	1,332	87	1,419	1,521	1906	2,663	1,017	747	1,454	2,685
1883	...	1,770	95	1,865	1,335	1907	2,949	1,169	747	1,916	3,031
1884	...	1,759	100	1,859	1,295	1908	2,123	731	464	1,185	2,264
1885	...	1,139	70	1,209	1,295	1909	2,166	643	723	1,366	2,465
1886	...	1,480	61	1,541	1,009	1910	3,152	1,054	968	2,022	3,005
1887	...	1,778	40	1,818	1,147	1911	2,467	1,014	668	1,682	2,635
1888	...	1,778	40	1,818	1,147	1912	2,540	333	923	1,306	2,684

COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay.
In thousands of Bales (000's omitted). [Year ending 31st August.

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	India.	Foreign Countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,753	46	2,779	584	1,023	30	1,587	* 1,072	2,659
1914	3,753	6	3,759	1,301	1,345	24	2,670	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,185	2,765
1918	3,279	27	3,306	293	1,313	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,763	116	2,879	494	1,381	26	1,901	1,067	2,968
1922	3,353	109	3,462	645	1,896	53	2,593	1,074	3,667
1923	3,589	61	3,641	851	2,086	53	2,990	1,063	4,050

N.B.—As noted in the Chamber's Report for 1918, the figures shown above represent the volume of trade in cotton from 1st September to 31st August, instead of for the year ending 30th June as was previously the case. *Year ending 30th June.

FOREIGN TRADE OF BRITISH INDIA—IMPORTS.
*Quantities and Value of the Principal Articles imported in the years ending
 31st December 1921, 1922 and 1923.*

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Animals—Living No.	4,615	4,433	4,552	Rs.	Rs.	Rs.
Apparel—(excluding Hosiery, Boots and Shoes)						
Apparel—including Drapery uniforms and						
accessories value.	...	...	...	25,36,261	27,44,403	17,50,731
Gold and Silver Thread	...	...	...	81,83,322	56,10,417	62,23,537
Hats, Caps, Bonnets and Hatters' ware, ...	...	...	...	40,50,428	30,38,096	28,04,374
Lanettes lbs.	335,549	188,709	429,126	26,99,131	13,56,202	20,46,754
Second-hand Clothing value.	...	...	...	9,91,095	5,87,869	12,02,283
Water-proofed Clothing	...	...	...	6,83,748	6,75,410	13,68,124
Arms, Ammunition and Military Stores :—						
Cartridge Cases No.	14,090,702	14,187,264	24,361,896	2,28,928	1,99,390	1,79,411
Explosives value.	...	...	...	14,61,468	13,46,546	13,40,262
Fire Arms and Parts thereof	...	...	...	18,39,330	20,36,095	20,83,325
Gunpowder lbs.	114,610	134,411	135,185	33,61,222	24,00,248	21,50,663
Other Sorts value.	...	...	...	2,15,928	2,07,118	1,83,081
Art, works of (other than pictures)	...	...	...	6,34,119	5,62,440	5,16,070
Asbestos—Raw cwts.	...	...	...	15,55,571	2,94,271	8,16,083
Do. Packing value.	6	...	126	980	45	3,125
Do. Manufactures except for Packing	...	...	...	5,01,526	4,59,944	5,24,818
Belting for Machinery :—						
Of Cotton	...	...	...	8,56,796	7,18,583	7,42,068
" Leather	...	...	...	26,37,907	15,41,249	14,52,087
" Other materials	...	...	...	56,62,410	42,63,324	48,44,503
Bistles and Fibre, for Brushes and	...	...	...	29,65,826	28,92,095	38,57,647
Brooms cwts.	288	158	263	...	17,631	20,508

FOREIGN TRADE OF BRITISH INDIA—IMPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Carbide of Calcium	9,653	25,685	24,630	Rs. 2,48,543	5,39,577	Rs. 4,42,860
Copperas	1,236	16,759	20,921	9,081	87,607	86,046
Copper Sulphate	767	9,836	9,510	19,868	2,47,275	2,00,220
Disinfectants	14,688	27,335	22,722	6,86,728	10,38,586	8,17,722
Lead Compounds:—						
Acetate	2,446	3,807	3,973	95,940	1,11,053	1,18,559
Litharge	834	918	996	8,023	29,049	26,894
Other sorts	788	569	395	29,465	21,778	14,652
Magnesium Compounds—Chloride	53,092	60,292	68,993	5,75,259	3,43,141	2,28,605
do. other kinds	7,866	34,594	45,852	79,230	1,90,982	1,77,763
Potassium Compounds—Bichromate	3,750	3,227	5,275	2,81,248	1,49,897	2,15,682
do. Chlorate	3,123	6,280	4,816	79,279	1,44,134	1,02,686
do. other sorts	1,416	1,999	1,458	2,56,909	2,51,671	1,94,039
Soda Compounds—Soda Bicarbonate	104,624	98,960	97,681	10,65,968	19,16,189	9,37,719
" Bichromate	15,031	7,892	5,324	9,45,314	2,56,042	1,58,860
" Caustic	63,628	118,400	97,114	12,99,959	22,31,046	15,18,491
" Chromate .. ..	....	....	120	....	....	8,864
" Sulphide	15,708	15,480	18,557	4,21,021	2,76,148	2,62,856
" Sodium Carbonate	684,469	641,486	714,368	47,15,861	42,97,603	46,50,446
" Cyanide	2,899	6,563	7,040	2,90,145	6,07,537	4,91,181
" Silicate	11,293	18,574	16,046	1,66,781	2,38,100	1,79,332
" other sorts	66,844	19,410	21,871	4,89,660	5,28,958	6,65,446
Sulphur (Orimstone)	131,174	183,135	204,695	12,92,978	13,82,988	11,07,690

Zinc Compounds—Chloride	...	cwts.	18,557	16,968	28,430	5,79,892	3,60,997	4,74,345
Do. other kinds	...	...	771	254	327	29,363	8,059	9,952
Other sorts of Chemicals...	...	value.	.....	.....	.....	22,84,360	24,47,454	25,81,364
China Clay	...	cwts.	256,420	306,431	817,973	21,52,688	17,08,758	14,49,609
Clocks and Watches and parts thereof	...	value.	.....	.....	.....	28,52,753	19,14,146	15,86,436
Coal, Coke and Patent Fuel	...	...	.....	.....	.....	.....	.....	.....
Coal	...	tons.	1,084,687	1,191,966	606,423	4,21,23,835	4,39,05,808	1,77,34,201
Coke	...	...	6,051	28,678	18,495	3,91,492	14,53,654	9,18,803
Patent Fuel	...	...	11	.....	.....	2,502	182	.....
Coffee	...	cwts.	21,127	49,957	48,986	8,35,822	20,71,588	21,42,194
Coir unmanufactured	...	tons.	713	106	1,328	19,491	11,930	53,322
" Manufactured	...	...	949	250	229	2,04,685	1,17,069	88,082
Corals	...	lbs	5,495	8,660	23,768	31,676	24,608	23,623
Cordage and Rope of Vegetable Fibre (excluding Jute and Cotton)	...	cwts.	14,564	13,019	11,226	12,63,260	8,68,934	7,37,659
Cork manufactures	...	...	2,851	2,000	3,604	4,98,798	3,76,967	3,47,707
Cutlery	...	value.	.....	.....	.....	24,36,739	22,75,838	21,99,312
Drugs and Medicines (excluding Chemicals and Narcotics).	...	...	.....	.....	.....	.....	.....	.....
Assafœtida	...	cwts.	5,595	7,010	3,725	4,08,516	5,34,592	2,38,684
Camphor	...	lbs	893,716	460,493	1,039,891	24,38,705	13,28,853	31,84,337
Cassia lignia	...	cwts.	48,238	57,924	58,188	14,47,002	15,38,327	12,86,629
Proprietary and Patent Medicines	...	value	.....	.....	.....	18,52,393	23,10,789	19,72,501
Quinine Salts	...	lbs.	54,455	79,368	91,588	24,99,722	27,04,847	25,06,937
Other sorts	...	value	.....	.....	.....	72,03,661	76,50,006	83,62,602
Dyeing and Tanning Substances.	...	...	.....	.....	.....	.....	.....	.....
Dyes obtained from Coal Tar	...	...	.....	.....	.....	.....	.....	.....
Alizarine	...	lbs.	5,366,232	5,121,966	4,753,445	79,02,916	47,15,366	39,75,181
Aniline	...	...	5,343,635	8,771,846	9,893,593	2,38,20,329	2,36,18,869	1,88,43,191
Other sorts of Dyes	...	...	13,993	84,498	72,421	10,880	1,21,467	1,14,510
Barks for tanning	...	cwts.	24,296	12,698	10,916	1,89,766	96,712	1,22,561
Cocaine	...	...	371	1,577	1,748	54,797	2,26,442	2,23,439
Cutch and Gambier	...	...	36,509	30,976	88,964	10,06,739	8,30,078	10,63,192
Indigo, synthetic	...	...	1,315	1,186	953	6,94,775	4,69,416	8,00,761
Saffron	...	lbs.	31,946	43,711	69,060	3,85,284	11,20,529	12,85,232
Other sorts	...	cwts	4,603	8,705	26,985	1,93,556	1,68,426	8,15,883

FOREIGN TRADE OF BRITISH INDIA—IMPORTS—(continued).

ARTICLES.	Qualities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Earthenware & Porcelain						
Earthenware:—						
Pipes of Earthenware ... cwts.	21,698	12,798	85,509	1,63,984	1,49,064	4,07,088
Sanitaryware value.	.....	.....	.....	62,03,094	64,28,725	3,78,724
Other sorts ... .. "	.....	.....	.....	.....	.....	15,24,543
Porcelain:—						
Electrical ... .. "	.....	.....	.....	1,80,524	9,68,927	63,420
Other kinds ... .. "	.....	.....	.....	11,57,198	18,78,581	18,38,782
Electroplatedware ... .. "	.....	.....	.....	16,80,011	6,71,815	6,68,605
Fireworks lbs.	3,729,859	3,843,633	3,393,946	13,63,973	11,63,893	11,74,328
Fish (excluding Canned Fish) ...	115,300	121,446	421,674	16,53,478	23,23,853	29,29,584
Fodder, Bran and Pollards	45,991	11,629	27,926	1,35,972	55,365	1,27,537
Fruits and Vegetables (Fresh)	.....	.....	.....	8,37,292	9,35,500	10,32,085
Fruits and Vegetables (Dry):—						
Almonds "	4,515	5,676	5,361	41,67,608	45,41,843	38,64,693
Currants & Raisins "	677	1,627	875	2,82,409	5,91,439	3,08,092
Dates "	46,215	52,914	69,683	97,50,524	1,02,94,002	1,18,38,642
Other sorts "	1,991	2,027	1,463	7,04,333	10,33,669	8,30,229
Furniture & Cabinetwork ... ..	.....	.....	.....	35,88,493	18,79,963	18,57,346
Gelatine cwts.	227	369	314	57,512	72,488	54,710
Glass & Glassware:—						
Bangles ... .. "	.....	.....	.....	68,98,454	63,61,258	89,34,229
Beads & false Pearls	17,816	23,810	27,281	41,60,821	41,17,158	41,60,723
Bottles and phials gross	813,997	279,668	442,556	41,06,680	34,27,652	36,11,187

	10,578,620	† 3,917,933	¶	34,90,845	39,56,617	32,89,507
Sheets and Plate	...	...	...	14,55,478	23,44,202	17,26,299
Funnels, Globes Glass parts of lamps value.	...	...	...	15,52,828	11,78,130	10,54,232
Tableware including Decanters, etc.	...	...	...	23,96,363	25,72,571	25,16,782
Other Glassware	...	...	...	2,51,069	3,17,529	4,03,871
Glue	5,382	8,648	10,648			
Grain, Pulse and Flour :—						
Beans, dry	1,127	624	365	2,09,535	1,23,039	71,550
Jowar and Bajree	3,749	2,751	535	6,96,905	4,72,067	58,915
Pulse	1,992	1,295	1,685	4,91,832	3,17,294	2,43,340
Rice not in the husk	219	453	1,236	59,888	1,14,293	18,08,883
Wheat	218,413	237,605	9,353	4,63,19,702	4,98,24,567	13,08,691
Wheat Flour	1,693	3,118	656	2,80,635	8,70,861	1,19,624
Other sorts	514	1,842	2,410	68,084	3,06,098	3,56,193
Graphite crucibles	1,282	1,721	5,503	90,707	1,29,924	3,59,384
Gums and Resins :—						
Arabic	5,339	6,889	3,380	1,31,641	1,46,660	59,506
Benjamin	17,188	19,784	19,274	7,21,282	8,21,167	7,76,931
Dammer (resins)	68,986	88,063	40,366	4,71,261	2,94,859	3,05,782
Olibanum or Frankincense	20,294	22,082	23,687	2,64,823	3,26,895	3,47,130
Kosin	9,584	18,037	25,074	3,31,968	3,26,083	3,31,940
Other sorts	35,237	55,440	49,409	9,79,946	9,86,386	8,83,896
Hardware :—						
Agricultural Implements	...	...	...	29,81,539	24,69,857	22,03,154
Buckets, tinned or Galvd. Iron	...	...	...	1,13,816	89,392	88,794
Builders' Hardware	...	...	...	39,14,044	38,60,119	24,16,434
Domestic Hardware	...	...	...	16,91,225	7,96,723	9,71,429
Enamelled Ironware	...	...	...	21,34,398	21,69,471	28,72,627
Gas Mantles	...	...	...	6,63,774	6,81,810	4,18,177
Implements and Tools	...	...	...	91,02,403	78,79,657	70,85,018

† Represents figures for three months, January to March, 1923 and from 1st April to 31st December quantity recorded in square feet and cwt., viz., 12,747,509 and 149,204 respectively.

¶ Quantity recorded for 1923 in square feet and cwt., viz., 16,950,190 and 203,048 respectively.

FOREIGN TRADE OF BRITISH INDIA—IMPORTS—(continued).

ARTICLES.	Quantities.				Value.	
	1921.	1922.	1923.	1921.	1922.	1923.
Lamps Metal	1,406,360	2,778,398	2,859,539	Rs. 49,51,669	Rs. 58,33,059	Rs. 53,15,401
" Glass	65,878	50,336	49,562	38,186	48,355	31,840
" Parts of, other than glass ... value.	.....	.....	.....	11,70,850	11,05,269	9,84,649
Safts and strong Boxes of Metal ... No.	2,593	2,533	6,288	6,72,627	3,78,546	3,91,803
Stoves	50,046	63,583	111,862	7,30,502	5,27,656	6,85,325
Other sorts ... ..	.....	.....	.....	4,34,57,967	2,73,86,387	2,09,52,643
Hides and Skins :—						
Hides (Raw)	365	351	473	1,72,057	1,86,556	3,15,119
Skins (")	583	574	726	7,93,691	6,72,958	9,63,379
Hops	2,426	2,516	2,624	3,28,662	3,51,458	3,63,367
Horns, Tips and pieces of Horn and Hornmeal	259	254	354	51,115	81,604	40,670
Instruments, Apparatus and Appliances and parts thereof :—						
Electrical including Telegraph and Telephone apparatus not being Machinery :—						
Electric Fans and parts thereof value.	.....	.....	.....	62,65,923	34,99,406	27,51,552
Electric Wire and Cables :—						
Rubber Insulated ... ..	.....	.....	.....	44,46,402	37,99,151	7,96,098
Insulations other than Rubber ... ..	.....	.....	.....	58,42,615	42,63,276	25,82,612
Telegraph and Telephone Wire and Cable ... ..	.....	...	.....	2,14,588	1,58,937	3,74,591
Bare Copper Wire other than Telegraph and Telephone wire... ..	.....	.....	.....	13,87,699	8,72,509	8,22,736

FOREIGN TRADE OF BRITISH INDIA—IMPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1931.	1922.	1923.
Manufactures—(excluding Boots, Shoes and Beltings)—						
Bags and Trunks value.	.....	.. ..	.....	1,87,048	79,338	87,580
Pickers ... ..	.....	.....	.....	12,88,932	8,42,796	6,88,010
Picking Bands and Straps ... ..	.....	.....	.....	10,38,801	6,15,807	7,36,019
Roller Skins ... ..	.....	.....	.....	18,70,449	11,97,144	11,92,125
Saddlery and Harness ... ..	.....	.....	.....	2,73,933	1,74,329	1,51,662
Other sorts ... ..	.....	.....	.....	15,12,801	12,73,823	9,08,688
Liquors:—						
Ale and Beer gallons.	2,650,133	2,757,956	2,468,197	92,82,129	83,48,976	67,78,912
Stout and Porter	122,299	151,340	123,778	7,57,705	8,91,435	6,28,498
Cider & other fermented Liquors	13,188	9,769	10,718	99,362	72,415	72,878
Spirits—Brandy	324,737	240,133	917,737	67,05,833	38,85,757	42,85,902
Whisky	627,418	609,115	508,955	1,20,17,737	1,23,34,591	96,23,280
Rum	163,656	124,694	125,637	4,56,839	2,63,564	2,80,542
Gin	83,886	79,262	78,596	9,31,354	10,72,991	8,63,469
Present in drugs... ..	80,282	75,368	85,296	27,31,928	24,59,520	25,32,368
Perfumed	12,548	10,487	22,038	13,53,558	9,38,764	12,04,559
Methylated	189,151	369,848	365,323	5,36,579	6,49,609	4,96,831
Other sorts	149,235	93,199	84,529	11,65,681	9,45,971	11,28,886
Liqueurs	18,827	13,292	18,164	5,09,537	3,73,256	3,08,594
Wines	274,577	219,499	217,380	42,66,307	31,92,380	26,28,216

FOREIGN TRADE OF BRITISH INDIA—IMPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Metals and Ores:—						
Aluminium—Unwrought (Ingots Blocks and Bars) ...	1,197	8,872	9,909	1,22,894	6,81,526	7,39,911
" Wrought—Circles ...	27,576	59,441	57,491	44,51,973	74,12,849	57,39,452
" " Sheets ...	3,515	8,903	3,653	5,68,757	5,03,779	3,75,972
" " Other sorts ...	5,243	4,889	8,609	5,41,392	5,16,080	9,19,357
Antifriction Metal ...	1,945	3,117	5,105	1,69,178	2,50,897	3,89,804
Brass Bronze and similar alloys:—						
Unwrought ...	45,135	96,347	20,954	15,60,367	33,15,212	6,79,960
Wrought—Mixed or Yellow Metal for sheathing ...	184,630	283,283	311,334	1,05,31,183	1,85,48,752	1,81,70,264
" Other sorts ...	43,144	192,927	87,942	32,16,093	75,13,434	48,94,224
Copper—Old for re-manufacture ...	1,609	9,730	12,431	72,390	4,46,384	4,60,378
" Unwrought ...	10,085	49,833	57,455	5,62,582	30,07,387	33,61,318
" Wrought ...	94,376	234,484	169,627	88,50,448	1,71,84,460	1,15,81,023
German and Nickel Silver ...	5,974	12,344	7,286	10,52,197	14,19,097	9,92,445
Iron—Ore ...	9	550	24,379	2,062	78,542	4,35,211
" Pig ...	14,129	20,733	5,005	19,35,358	21,48,606	5,49,040
" Manufactures ...	13,056	25,994	14,476	47,24,617	60,24,056	28,32,994
" or steel ...	389,811	499,235	514,834	19,32,49,443	15,07,51,214	14,18,20,066
Steel Manufactures ...	1,38,295	203,497	201,319	4,08,08,711	3,53,26,681	5,03,15,273
Lead unwrought ...	428	324	440	2,14,638	1,31,686	1,38,923
" wrought ...	44,315	46,719	48,687	15,62,979	14,80,998	13,56,658

Quicksilver	...	...	...	157,143	134,106	362,264	3,59,968	3,02,502	8,32,874
Solder	...	...	...	652	711	348	49,444	36,027	29,335
Tin unwrought	...	...	...	53,114	34,459	48,342	76,25,415	42,75,719	65,91,622
" wrought	...	...	...	2,000	2,330	5,051	3,26,533	1,99,086	1,36,037
Zinc or Spelter—Unwrought	...	...	...	62,008	50,079	59,708	14,97,795	12,31,992	15,33,798
" Wrought	...	...	...	25,331	37,045	48,325	9,10,843	10,90,336	13,84,181
Metals and Ores, other sorts	...	...	tons.	727	422	563	6,66,785	5,06,426	8,57,403
Mica	...	...	...	4,032	2,007	3,471	7,88,564	1,99,495	2,31,536
Oils:—	...	...	...	...	...	...	...	...	...
Animal	...	...	gallons.	29,436	12,220	10,445	1,23,740	46,423	30,075
Essential	...	...	"	20,687	30,035	29,174	8,48,669	6,81,351	9,52,098
Mineral fuel	...	...	"	50,186,198	65,235,366	71,935,034	1,23,07,615	1,57,93,211	1,51,77,705
" Kerosine	...	...	"	42,863,775	53,880,812	64,063,637	3,19,17,482	3,80,41,504	4,16,83,748
" Lubricating	...	...	"	18,124,871	19,458,941	14,064,049	3,79,14,167	1,93,69,964	1,64,96,456
" Other kinds	...	...	"	2,385,804	1,590,483	3,167,244	25,60,605	16,44,104	39,34,845
Cocoa-nut	...	...	"	170,427	33,617	2,580	5,23,309	77,586	5,333
Linseed	...	...	"	216,938	310,105	222,318	9,65,601	11,86,171	8,97,442
Other sorts	...	...	"	48,077	34,331	62,324	1,80,574	1,54,558	2,01,693
Oil Cakes	...	...	tons.	453	164	168	51,357	5,059	16,843
Oil Cloth and Floor Cloth	...	...	sq. yds.	274,602	423,266	622,952	8,97,574	9,31,732	8,79,503
Opium	...	...	...	65	26	3	4,368	3,276	370
Packing—Engine and Boiler of all kinds.	...	...	value.	...	...	...	4,92,436	3,26,595	2,36,028
Paints and Colours	...	...	...	258,374	286,999	298,895	1,11,65,054	1,09,34,446	1,03,84,983
Painters' Materials	...	...	...	...	...	...	24,22,338	23,07,618	27,62,545
Paper	...	...	...	...	...	...	8,05,29,338	3,44,40,193	2,42,02,631
Pasteboard, Mill-board and Cardboard of all kinds	...	...	...	146,106	107,135	222,718	33,31,110	15,46,276	30,23,480
Paper Making Materials	...	...	...	128,783	276,479	140,808	41,99,101	39,39,802	17,78,808
Paraffin Wax	...	...	tons.	48	181	112	37,169	85,154	41,662
Perfumery	...	...	...	...	...	...	3,49,829	3,15,080	3,87,258
Pitch and Tar	...	...	...	76,031	93,512	75,391	7,67,637	7,08,464	5,92,769
Polishes	...	...	...	...	...	...	17,09,185	17,74,496	22,77,537

FOREIGN TRADE OF BRITISH INDIA--IMPORTS--(continued).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Precious Stones ... ..	.....	.....	.....	Rs.	Rs.	Rs.
Pearls ... ..	.....	.....	.....	8,54,083	97,24,412	1,09,10,861
Printing and Lithographing Presses	.....	.....	.....	61,34,699	98,18,849	96,37,892
Do. do. Types, Ink & Materials	.....	.....	.....	33,89,412	11,42,879	18,96,390
Prints, Engravings and Pictures	.....	.....	.....	19,65,081	15,44,097	10,90,806
Provisions and Oilmanstores—	.....	.....	.....	4,11,230	4,16,869	8,18,163
Bacon and Hams	10,431	11,760	12,418	18,95,018	16,24,156	14,44,078
Biscuits and Cakes	10,686	21,631	23,211	15,43,391	26,95,588	27,15,417
Cheese	6,739	9,568	8,985	12,68,446	14,09,005	11,71,120
Cocoa and Chocolate	2,681	5,036	3,877	6,53,874	9,65,612	6,10,686
Farinaceous and Patent Food	209,097	250,953	297,281	53,17,461	67,54,257	80,31,630
Jams and Jellies	10,516	11,701	14,643	8,70,467	7,98,228	8,56,105
Milk Condensed and Preserved in- cluding milk cream	70,487	64,484	63,231	56,75,998	50,19,323	41,86,442
Canned and Bottled Provisions	76,076	99,913	105,857	64,64,674	78,01,498	69,72,892
Other sorts of Provisions	.....	.....	..	16,77,961	17,34,338	17,37,559
Railway Plant and Rolling Stock—	.....	.....	.....	9,23,38,055	6,05,34,478	5,84,23,088
Carriages, Wagons and parts thereof.	.....	.....	.....	7,04,75,590	2,80,93,422	2,41,61,584
Loco Engines and Tenders and parts thereof	.....	11,072	14,078	66,57,132	49,06,717	36,27,189
Bridge work	12,185	.....	.....	1,82,31,819	1,58,36,551	91,75,218
Balls, chairs, Fish Plates of Steel or Iron	59,885	101,984	66,965	.....	.....	.....

Sleepers and keys of Steel or Iron tons.	30,961	97,853	13,348	75,39,801	2,02,16,176	21,01,959
Sleepers of Wood	28,681	18,926	29,447	46,78,566	29,44,791	39,26,249
Other kinds of Materials for construction...	9,135	14,228	15,218	58,11,059	50,69,842	46,39,240
Rubber, Raw	7,710	536	13,412	4,924	591	13,065
" Tyres and Tubes	255,064	310,635	855,095	1,00,07,871	1,30,69,459	1,32,49,869
" Other Manufactures	477,825	507,079	508,740	40,63,940	56,74,768	39,65,949
Salt	477,825	507,079	508,740	1,57,94,765	1,56,17,058	1,32,98,703
Seeds:—						
Essential	683	327	200	5,19,447	1,31,196	67,907
Copra or Coconut Kernel	4,920	216	471	22,39,106	62,587	1,54,483
Other sorts	2,779	466	490	7,60,592	3,18,829	2,54,813
Shells and Cowries...	41,529	26,753	30,597	3,91,361	3,74,783	3,07,386
Smoker's Requisites (excluding Tobacco) value.	.....	.....	.....	4,92,866	6,19,942	6,18,875
Soap	200,680	266,946	299,890	76,88,843	1,11,70,053	1,15,29,921
Spices:—						
Betelnuts	989,807	961,867	1,313,783	1,37,37,939	1,11,77,517	1,92,38,677
Gloves	78,260	79,527	85,480	50,38,067	54,28,856	54,26,368
Ginger	728	6,795	15,262	24,937	1,79,844	5,06,471
Nutmegs	18,172	8,496	11,370	3,62,310	2,97,887	4,04,370
Pepper	10,948	8,357	9,988	4,80,449	3,32,989	4,17,405
Other sorts	6,886	6,646	6,478	3,61,149	4,23,696	3,67,352
Starch and Farina...	99,533	172,607	175,294	15,38,737	34,46,063	20,85,090
Stationery .....	.....	.....	.....	1,13,81,647	89,71,821	91,68,192
Stone and Marble	7,452	3,829	5,255	6,98,941	7,37,079	6,28,217
Sugar, 16 Dutch Standard and above	578,224	434,941	497,788	24,06,84,981	13,84,40,291	17,09,73,408
" Beet... ..	5,715	26,026	865	53,38,718	1,01,61,638	2,77,607
" 15 Dutch Standard and above	553	114	289	1,18,339	32,047	87,907
" Molasses	78,170	70,996	52,797	62,33,774	51,11,457	59,34,948
" Confectionery	602	788	778	18,85,500	19,33,192	19,71,369
" Saccharin	20	39	34	4,86,804	2,68,795	1,94,519
Tallow and Stearine including grease and animal fats	51,550	64,889	71,811	23,21,037	23,19,094	24,11,186
Tea:—						
Black	1,227,534	1,774,248	4,046,604	7,53,211	12,19,495	24,47,832
Green	3,723,854	5,917,060	5,762,423	32,37,281	49,68,090	59,58,771

FOREIGN TRADE OF BRITISH INDIA—IMPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Tea Chests, entire or in sections ... value.	.....	.....	.....	Rs.	Rs.	Rs.
Telegraph materials for construction and Accessories ... ..	.....	.....	.....	80,79,535	58,03,233	67,37,566
Telephone materials for construction and Accessories ... ..	.....	.....	.....	4,59,761	94,161	85,737
Textiles—	.....	.....	.....	22,01,781	21,57,277	4,21,041
Cotton Raw	27,168	12,281	12,179	3,78,25,157	2,01,05,732	2,38,67,426
Waste	54	199	752	1,868	7,504	16,328
Twist and yarn	49,214,050	63,647,907	47,573,082	10,73,59,324	10,77,59,131	7,80,52,011
Handkerchiefs	8,480,061	2,727,943	4,829,004	8,57,727	6,45,553	10,48,172
Shawls	294,940	460,607	917,160	5,73,268	6,96,483	11,96,601
Hosiery Underwear ... ..	.....	.....	.....	42,16,851	50,04,673	72,33,368
" Other sorts ... ..	.....	.....	.....	31,39,701	21,18,262	24,04,807
Grey (Unbleached) ... ..	.....	.....	.....	.....	.....	.....
Goods	659,248,686	838,411,101	724,348,720	24,54,68,326	27,47,18,400	23,94,17,444
White (Bleached) Piece-goods	291,837,933	382,781,164	409,288,751	12,23,71,146	14,60,54,833	14,98,05,649
Coloured printed or dyed piece-goods	196,578,498	202,974,561	338,777,921	11,75,96,936	10,44,50,023	17,29,09,729
Fents of all descriptions	11,041,794	14,156,307	16,770,578	29,68,760	40,70,237	55,82,218
Thread, Sewing	988,167	1,179,137	1,874,011	70,35,515	72,81,881	67,13,447
Manufactures, other sorts ... ..	.....	.....	.....	99,36,032	67,83,648	83,13,772
Flax Raw	5,879	47	28	5,440	35	45
Twist and yarn	18,382	8,127	5,650	37,558	8,340	6,938
Canvas	737,587	744,338	830,379	28,22,918	14,53,778	12,24,212
Piece-Goods	136,702	416,634	488,732	1,61,689	3,58,297	4,46,029
Thread	59,751	60,184	68,591	3,18,500	1,89,314	2,20,564
Manufactures, other sorts ... ..	.....	.....	.....	8,90,498	10,62,939	10,49,928

FOREIGN TRADE OF BRITISH INDIA—IMPORTS—(concluded).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Toilet Requisites value.	.....	.....	.....	Rs.	Rs.	Rs.
Toys and Requisites for Games and Sports "	.....	.....	.....	21,03,705	38,93,669	44,18,147
Umbrellas No.	447,017	387,948	390,283	36,98,070	47,61,153	60,90,669
Umbrella fittings value	.....	...	...	16,56,694	8,63,495	11,35,858
Vehicles excluding Locomotives, etc., for Rail-ways :—	.....	...	...	17,13,745	23,58,469	42,58,638
Carriages and Carts No.	5,588	10,637	6,224	38,99,964	17,71,656	10,86,712
" " parts of value.	.....	.....	.....	46,42,335	13,41,950	12,01,591
Pereambulatores and children's go-carts No.	3,007	3,505	4,965	1,96,247	1,63,999	2,04,242
" " parts of value.	.....	...	.....	4,967	4,252	5,927
Cycles No.	7,100	16,596	38,606	8,76,598	15,22,421	29,08,485
" parts of and accessories value.	.....	.....	.....	12,91,800	17,08,163	27,47,391
Motor cars including Taxi Cabs No.	4,613	4,309	6,667	3,02,26,545	1,55,93,215	1,70,83,063
" cycles including Scooters "	1,248	900	1,074	16,26,525	8,55,118	8,64,185

Motor Omnibuses, vans and lorries ...	No.	1,073	650	836	77,92,279	25,17,949	22,70,289
Parts of mechanically propelled vehicles and accessories excluding Rubber Tyres value.	.....	.....	.....	.....	1,05,98,910	48,18,588	43,44,179
Ships, parts of ... ..	.....	.....	.....	.....	60,08,495	74,60,660	70,31,355
Wax of all kinds other than Paraffin wax. cwt.	2,771	3,639	1,680	1,680	1,55,003	2,31,840	1,01,143
Wood and Timber cubic tons.	56,988	59,377	30,428	30,428	88,73,323	49,13,195	39,75,721
Wood, Firewood tons.	1,419	765	476	476	23,661	11,686	7,098
„ Ornamental Sandal	373	759	453	453	1,75,331	3,91,787	2,44,271
„ „ other kinds value.	...	.....	.....	.....	48,759	78,561	75,990
„ Manufactures other than Cabinet-ware and Furniture ... ..	...	.....	.....	.....	32,68,654	13,49,120	16,51,631
Articles imported by Post ... ..	.....	.....	.....	.....	4,56,99,430	3,50,31,947	3,82,68,626
All other Articles ... ..	.....	.....	.....	.....	46,35,643	32,32,773	43,31,493
Total Value Rs.		.....	.....	.....	2,78,18,73,301	2,42,46,73,163	2,26,97,68,342

FOREIGN TRADE OF BRITISH INDIA—EXPORTS.

Quantities and Value of the Principal Articles exported in the years ending 31st December 1921, 1922 and 1923.

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
INDIAN PRODUCE AND MANUFACTURES.						
Animals	248,367	219,279	213,935	Rs.	Rs.	Rs.
Apparel ... ..	.....	.....	.....	27,08,394	27,08,394	25,34,088
Books, Printed and Printed matter	4,835	5,089	5,724	25,05,894	32,79,983	23,95,069
Boots and Shoes	143,042	145,104	226,484	6,50,068	6,07,117	7,10,201
Bristles	2,177	3,424	2,816	5,20,622	4,81,068	6,13,139
Building and Engineering Materials of all kinds ... ..	.....	.....	.....	12,38,133	12,28,618	18,34,745
Candles	4,327,153	6,430,720	4,476,542	12,65,217	13,72,188	11,08,346
Casein	7,927	10,641	10,419	12,92,412	12,83,369	13,13,289
Chemicals and Chemical Preparations:—				3,26,912	8,20,607	4,65,077
Saltpetre	257,873	220,878	161,357	47,93,472	37,77,050	27,06,582
Borax	5,084	4,891	2,996	1,64,921	1,80,490	1,15,105
Other sorts ... ..	.....	.....	.....	3,41,123	2,60,484	1,38,822
Coal, Coke and Patent Fuel:—				37,53,877	10,25,436	23,41,385
Coal	273,548	76,479	136,559	98,518	36,997	575
Coke	1,923	632	16	1,48,82,670	1,24,87,456	1,40,48,534
Coffee	268,479	173,743	200,218	1,05,326	1,22,467	1,00,156
Cc'ir unmanufactured	429	510	410	81,48,274	1,09,26,319	1,03,12,456
" manufactured	25,304	32,572	31,571	13,40,180	12,26,482	13,38,903
Cordage and Rope of Vegetable Fibre	52,456	49,429	54,945			

FOREIGN TRADE OF BRITISH INDIA—EXPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Pulse Beans	48,252	47,172	68,918	Rs. 63,44,596	Rs. 47,14,778	Rs. 56,89,887
" Gram	5,554	13,392	50,665	11,78,008	22,45,028	59,14,754
" Lentils	1,402	7,116	25,403	3,83,678	12,93,331	35,14,270
" Other Kinds	21,318	41,845	100,667	49,32,073	79,99,260	1,29,40,883
Other Sorts	6,181	306	899	9,63,237	74,786	77,095
Gums and Resins	8,115	29,920	69,110	2,81,669	7,97,878	13,21,375
Hardware and Cutlery ... ..	.....	.....	.....	7,54,467	7,47,222	9,84,499
Hides and Skins—						
Hides (raw)	23,240	24,265	25,774	1,69,43,448	2,08,34,979	2,76,19,057
Skins (raw)	17,951	21,036	21,046	3,36,39,789	3,67,48,824	4,14,56,686
Cuttings of Hides and Skins (raw)	913	891	1,458	1,07,288	1,56,419	1,94,092
Hides (tanned or dressed)	5,449	8,854	13,593	1,23,73,706	1,96,82,007	3,24,72,323
Skins (" ")	3,645	4,461	4,611	2,21,77,585	2,72,48,638	2,48,29,262
Horn Tips, Horn Metal and pieces of Horn cwt.	59,894	86,146	83,590	9,15,986	12,11,344	11,54,612
Instruments apparatus and appliances and parts thereof ... ..	.....	.....	.....	1,78,445	1,86,738	2,43,746
Ivory Manufactured	4,803	3,571	4,635	61,096	31,970	53,945
" Manufactured ... ..	.....	.....	.....	18,118	16,301	12,812
Jadestone	4,971	6,013	3,398	19,01,169	21,23,735	8,41,262
Lac—button	7,865	16,908	17,754	15,76,098	43,48,635	41,48,134
" Seed	1,441	3,401	15,493	2,66,005	7,21,760	26,33,248
" Shell	362,234	841,785	443,685	6,76,26,190	8,12,71,571	9,49,90,542
" Stick	844	2,528	1,097	1,11,981	9,69,305	1,84,362
" Other kinds	31,884	63,396	63,013	6,72,854	28,88,408	33,00,183
Leather—Unwrought	5,416	6,042	4,664	7,17,375	9,47,849	6,43,223
" manufactures ... ..	.....	.....	.....	4,42,989	93,377	2,33,644

FOREIGN TRADE OF BRITISH INDIA--EXPORTS--(continued.)

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Oil Cakes :—						
Castor Cake ... tons	320	1,436	918	38,379	1,28,774	86,717
Cocconut Cake ... "	2,141	2,026	1,661	8,70,079	2,92,721	1,91,166
Cotton Cake ... "	2,780	2,359	3,256	8,00,318	8,03,152	3,85,456
Groundnut Cake ... "	45,742	60,206	56,608	49,59,087	62,67,995	61,02,487
Linseed Cake ... "	10,450	10,316	16,111	14,55,013	16,27,821	21,52,084
Rape and Sesam Cake ... "	30,228	86,202	74,333	40,28,967	66,84,959	81,51,302
Other sorts ... "	1,152	6,609	7,110	1,09,150	8,62,745	8,39,991
Opium—						
" chests	6,801	6,118	6,174	2,31,46,204	2,33,97,508	2,70,27,020
" cwts.	10,016	8,904	9,173			
" value.	.....	.....	.....	70,078	1,18,721	3,40,911
Paints and Painter's Materials ... "	.....	.....	.....	1,33,768	29,332	10,157
Paper and Pasteboard ... "	.....	.....	.....	1,41,09,357	1,24,02,077	1,11,44,260
Paraffin Wax ... "	21,058	27,636	24,664	1,53,282	1,59,486	1,42,555
Perfumery ... "	.....	.....	.....	33,417	29,975	19,54,262
Precious Stones and Pearls ... "	.....	.....	.....			
Provisions and Oilmanstores—						
Butter ... cwts.	4,795	4,593	4,399	6,53,883	6,02,157	5,61,181
Ghee ... "	52,276	38,817	33,094	49,81,402	36,20,311	35,87,951
Pickles, Chutney and Condiments ... "	20,694	26,988	22,265	10,93,687	12,54,382	11,47,554
Other sorts ... "	25,748	24,899	25,065	6,83,787	6,58,672	6,26,870
Railway Plant and Rolling Stock—						
Tear Keys ... tons.	1,709	1,304	1,988	2,35,770	1,76,483	2,71,562
Other sorts ... lbs.	11,883	10,874,454	14,371,413	11,72,561	2,844	9,020
Rubber raw ... tons.	600	4,078	1,861	1,04,80,869	58,63,307	1,02,00,433
Salt ... "				17,907	89,434	38,221

FOREIGN TRADE OF BRITISH INDIA—EXPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Catechu, Kapok	5,402	25,503	30,428	Rs.	Rs.	Rs.
" Twist and Yarn	80,468,648	62,658,782	43,084,760	1,95,631	13,03,935	18,42,012
" Handkerchiefs and Shawls	802,281	1,804,797	2,971,300	7,78,782	6,06,12,559	4,03,80,265
" Piece-goods, Grey unbleached.	26,032,873	27,197,390	37,342,952	7,56,458	18,93,006	33,84,500
" " White Bleached	981,086	1,060,421	1,372,403	1,09,51,117	1,00,42,777	1,25,51,726
" " Coloured-Printed or dyed	132,083,335	116,876,251	139,512,935	5,67,854	5,11,903	5,27,714
" Thread	179,559	196,503	198,431	6,33,35,980	3,56,59,903	5,87,65,757
" Manufactures, other sorts	.....	.....	.....	3,30,323	3,42,755	3,42,755
" " value.	.....	.....	.....	33,01,670	24,01,972	30,87,619
Wax Raw	20,424	18,928	.....	21,832	14,085	.....
" Manufactures including Twist & Yarn value	.....	.....	.....	22,223	13,983	9,086
Haberdashery and Millinery	.....	.....	.....	4,22,026	5,85,724	5,12,153
Hemp Raw	247,676	421,474	336,644	41,95,792	61,65,780	51,62,000
" " cwts.	426,872	627,211	593,381	13,23,08,853	22,60,24,219	19,10,68,253
Jute Raw	3,507,930	2,991,853	4,773,739	9,61,538	7,50,747	14,51,600
" Twist and Yarn	408,855,727	338,320,676	402,766,253	14,55,99,083	14,83,38,454	18,15,90,048
" " lbs.	.....	.....	.....	.....	.....	.....
" Gunny Bags	.....	.....	.....	.....	.....	.....
" " No.	.....	.....	.....	.....	.....	.....
" " = tons	1,101,526,037	1,240,560,316	1,324,656,396	16,51,22,474	22,07,05,942	24,50,32,547
" " yds.	.....	.....	.....	.....	.....	.....
" Gunny Cloth	.....	.....	.....	.....	.....	.....
" " = tons	.....	.....	.....	.....	.....	.....
" Rope and Twine	.....	.....	.....	.....	.....	.....
" " cwts.	.....	.....	.....	.....	.....	.....
" Manufactures, Other sorts	.....	.....	.....	.....	.....	.....
" " lbs.	.....	.....	.....	.....	.....	.....
Silk Raw	125,282	160,879	181,382	10,29,472	11,51,896	17,24,424
" " " "	911,232	1,152,130	1,292,935	1,76,511	77,658	79,118
Chasam (Waste) and Cocoons	71,813	88,049	93,584	15,82,703	24,23,753	30,67,557
" Goods Mixed with Other materials	63,776	58,425	134,537	11,03,496	12,53,151	14,99,313
" Piece Goods	.....	.....	.....	1,17,015	1,39,827	1,39,827
" " " "	.....	.....	.....	1,38,425	1,02,627	2,72,060
" Manufactures, Other sorts	796	1,984	9,908	4,369	21,000	51,716

Wood Raw ...	...	...	...	22,791,634	51,681,408	37,681,241	1,80,54,724	4,19,62,922	3,26,46,361
" Carpets and Rugs ...	...	...	...	2,534,021	4,113,027	4,032,028	61,18,170	99,98,836	80,58,142
" Manufactures Other sorts ...	...	...	...	...	...	...	2,36,112	2,11,056	1,64,035
Tobacco :—									
Unmanufactured ...	...	...	...	22,539,491	19,110,529	33,231,681	61,12,376	61,74,544	87,87,362
Manufactured Cigars ...	...	...	...	441,883	383,182	475,276	5,72,336	4,69,320	4,38,301
" Cigarettes ...	...	...	...	78,705	50,228	9,613	93,632	58,814	14,162
" Other sorts ...	...	...	...	864,596	1,113,343	667,494	4,19,395	5,26,302	3,25,986
Toys ...	...	...	...	...	...	...	1,36,144	1,84,541	2,49,994
Umbrellas including Parasols and	...	...	...	...	...	...	...	...	...
Sunshades ...	...	...	No.	12,942	37,591	44,380	45,665	1,17,352	1,28,909
Wax of all kinds (Excluding Paraffin	...	...	...	...	...	...	...	...	...
Wax and Candles) ...	...	...	cwts.	5,981	4,869	54,197	5,84,218	3,17,335	14,58,167
Wood and Timber —									
Wood, Teak ...	...	...	cubic tons.	16,758	21,937	36,952	49,43,493	59,58,672	97,09,103
" Other Timber ...	...	...	tons.	3,686	3,107	4,194	4,24,873	3,76,314	3,86,401
" Ornamental Sandalwood	...	...	...	227	449	599	4,26,824	8,07,860	9,13,692
" Other sorts ...	...	...	value.	...	...	...	67,572	1,40,986	1,51,943
" Firewood ...	...	...	tons.	3,082	2,772	2,510	64,123	58,762	51,022
" Manufactures of, excluding	...	...	...	...	...	...	5,08,788	2,76,596	3,01,698
Furniture and Cabinetwork value.	...	...	value.	...	...	...	3,19,87,663	2,27,88,443	2,37,62,758
Articles exported by Post	...	...	...	...	...	...	30,17,095	47,83,982	54,01,217
All other Articles ...	...	...	...	...	...	...	...	...	...
Total Value Rs.	...	...	...	...	...	...	2,14,00,59,381	2,78,55,59,454	3,27,47,56,166
FOREIGN MERCHANDISE.									
Animals Living ...	...	...	No.	125	172	179	1,72,320	93,877	5,38,850
Apparel ...	...	...	value.	...	...	...	67,44,528	60,98,920	29,95,755
Books Printed and Printed Matter	...	...	cwts.	2,412	3,393	1,973	6,34,368	7,40,244	5,39,837
Boots and Shoes* ...	...	...	pairs.	41,178	18,322	17,339	4,83,019	1,37,601	1,08,704
Buildings and Engineering materials ...	...	...	value.	...	...	...	2,62,574	1,14,893	94,911
Chemicals and Chemical Preparations...	...	...	...	...	...	...	6,66,361	6,04,990	4,56,156
Coal, Coke and Patent Fuel ...	...	...	tons.	2,281	72,944	46,031	75,487	29,93,246	14,83,742
Coffee ...	...	...	cwts.	21,361	19,109	20,174	9,07,106	7,33,873	7,94,317

* Of Leather and other materials.

FOREIGN TRADE OF BRITISH INDIA—EXPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Outlery value.	...	.....	.....	Rs. 6,36,595	Rs. 8,15,911	Rs. 6,32,503
Drugs and Medicines ... ..	.....	.. ..	.....	10,79,511	9,35,504	7,18,969
Dyeing and Tanning Substances ...	2,261	3,291	4,773	5,81,550	9,35,554	10,10,651
Earthenware and Porcelain ...	.....	.....	.....	4,59,800	5,29,301	4,17,207
Electroplatedware ... ..	.....	.....	.....	68,717	97,370	1,42,991
Fish (excluding Canned Fish) ...	6,175	6,868	5,743	13,38,162	13,58,854	11,75,869
Fruits and Vegetables value	.....	.....	.....	43,62,238	83,74,902	32,18,438
Furniture and Cabinetwork ... ..	.....	.....	.....	3,61,128	2,86,192	3,77,415
Glass and Glassware ... ..	.....	.. ..	.. ..	15,89,411	11,84,032	9,60,126
Grain Pulse and Flour tons.	56	701	331	10,522	1,45,854	80,059
Gums and Resins cwts.	44,404	57,229	59,590	19,70,697	23,46,380	20,15,311
Hardware value.	.....	.....	.....	28,24,794	24,78,718	23,61,955
Hides and Skins, Raw tons.	79	203	371	17,49,204	60,52,717	1,01,83,257

FOREIGN TRADE OF BRITISH INDIA—EXPORTS—(concluded).

ARTICLES.	Quantities.			Value.		
	1921.	1922.	1923.	1921.	1922.	1923.
Rubber, Raw lbs.	621	75	3,032	Rs.	Rs.	Rs.
Rubber Manufactures value.	...	...	...	1,298	38	185
Shells and cowries "	...	...	...	5,11,538	3,53,318	3,34,088
Soap cwt.	3,910	6,395	4,227	81,808	2,48,012	95,109
Spices "	18,243	22,278	16,386	2,02,742	2,81,378	1,65,344
Stationery value.	...	...	...	12,41,799	14,05,155	11,58,255
Sugar, 16 Dutch Standard and above ... tons.	28,418	61,137	...	6,32,032	4,26,720	3,11,737
" 15 " " and below ... "	20	6	...	1,69,32,565	2,58,67,814	1,89,30,608
" Confectionery "	60	49	...	7,444	2,286	...
Tea, Black lbs.	109,662	123,294	350,349	66,795	79,044	43,026
" Green "	7,259	32,550	4,347	78,070	91,006	3,02,081
Textiles :—				7,845	39,078	5,147
Cotton-Raw tons.	1,344	6,879	7,709	24,32,008	1,26,55,243	1,51,01,958
" Twist and Yarn lbs.	545,836	1,192,245	1,522,719	10,48,323	19,74,118	20,87,135
" Handkerchiefs and Shawls No.	275,446	250,007	165,213	4,45,146	2,67,764	1,44,399
" Grey (unbleached) Piece Goods yds.	46,034,049	46,541,738	51,038,253	2,11,77,743	1,89,09,471	1,94,19,648
" White Bleached " "	8,393,347	7,237,177	6,299,657	40,87,644	33,96,552	37,87,348
" Coloured, Printed or Dyed Piece Goods " "	16,347,326	15,219,413	13,751,339	1,03,03,140	90,22,258	72,66,320
" Fents of all descriptions ... "	32,162	16,741	60,234	13,710	18,214	45,355
" Thread lbs.	94,735	88,138	69,479	1,97,182	1,90,743	1,32,981
" Manufactures Other sorts .. value.	...	...	...	17,75,513	11,19,193	8,59,505

FOREIGN TRADE OF THE PORT OF BOMBAY.—IMPORTS.

Quantities and Value of the Principal Articles imported in the Official Years 1920-1921 to 1922-1923.

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Animals, Living	2,531	1,730	2,899	Rs.	Rs.	Rs.
Apparel—(excluding Hosiery, Boots and Shoes)—						
Apparel including Drapery, Uniforms and				24,26,634	14,68,669	18,13,313
accompaniments	...	...	...			
Gold and Silver Thread	...	...	...	1,03,16,520	39,45,846	31,85,960
Hats, Caps Bonnets-Hatter's Ware	...	...	...	29,45,597	13,67,957	10,37,532
Lametta	...	...	...	22,98,113	4,99,426	1,94,477
Second Hand Clothing	113,932	138,369	143,217	4,77,618	4,81,980	8,98,813
Water-proofed do.	...	...	...	1,05,896	26,797	82,161
Arms, Ammunition and Military Stores—	...	...	...	70,151	1,33,632	65,595
Dynamite and other Explosives	...	...	...	2,93,524	3,72,462	4,32,154
Arms, Ammunition and Military Stores	...	...	...			
other than Dynamite and other	...	...	...			
Explosives	...	...	...	13,66,031	12,93,314	13,20,480
Asbestos—						
Raw	...	...	...	613	775	...
Asbestos Packing	...	...	...	2,39,129	77,696	1,30,185
Manufactures—Other sorts	...	...	...	6,19,888	8,98,322	3,18,987
Beltng for Machinery—						
of Cotton	...	...	...	4,52,725	2,60,752	2,14,508
of Leather	...	...	...	41,68,471	34,89,022	31,73,648
of Other Materials	...	...	...	10,46,922	6,37,204	6,54,638

FOREIGN TRADE OF THE PORT OF BOMBAY.—IMPORTS—(continued.)

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
				Rs.	Rs.	Rs.
Potassium Compounds—						
Bichromate	2,222	3,262	3,241	3,02,109	2,04,914	1,46,801
Chlorate	1,681	2,217	3,983	74,947	87,095	1,01,664
Other sorts	569	849	878	93,179	93,212	47,944
Soda Compounds—						
Bichromate of Soda	3,345	2,617	4,316	3,45,576	1,26,109	1,35,847
Soda Sulphide	19,165	13,887	15,734	6,81,525	3,05,348	2,62,570
Bicarbonate of Soda	23,641	32,304	26,457	1,92,581	2,82,525	2,34,228
Caustic Soda	15,754	12,457	20,410	3,68,777	2,68,969	4,14,967
S-dium Carbonate, Soda Ash and Soda Crystals... ..	140,708	93,352	97,221	7,26,625	5,59,900	5,94,908
Borax	5,332	1,860	4,378	1,69,791	60,141	1,37,835
Other sorts	14,569	9,569	5,161	4,96,608	1,33,348	96,845
Sulphur—(Erimstone)	80,186	27,086	51,247	3,26,887	2,69,187	3,70,495
Zinc Compounds—Chloride... ..	14,664	17,464	17,208	5,00,762	4,69,730	3,46,860
D., Other sorts	411	498	211	31,452	15,997	5,263
Other sorts of Chemicals ... ..	....	....	....	13,64,001	11,73,329	14,99,998
China Clay	372,675	375,548	268,521	23,33,188	19,81,373	14,09,780
Clocks and Watches	299,575	138,180	138,135	24,54,292	16,43,600	7,81,153
Clocks and Watches, parts of	...	...	...	93,677	60,535	62,692
Coal	43,095	1,116,198	620,925	14,09,670	4,31,24,142	2,17,36,690
Coal	188	5,034	10,589	19,400	3,03,872	5,06,102
Coke	28,395	16,372	25,322	12,27,008	6,08,695	10,51,045
Loose	...	192	441	13,258	1,04,877	1,53,201
Coir Manufactured and unmanufactured tons.	98	...	...	...	...	...

FOREIGN TRADE OF THE PORT OF BOMBAY—IMPORTS—(continued).

ARTICLES.	Quantities.				Value.	
	1930-1931.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Fruits and Vegetables Dried, salted or preserved—						
Almonds	3,164	5,090	5,833	30,96,376	45,17,609	45,02,391
Currents and Raisins	651	898	1,457	3,59,667	3,31,019	4,90,897
Dates	30,364	29,332	36,149	76,19,676	62,33,778	76,78,203
Other sorts	174	938	683	2,61,712	3,70,351	6,64,676
Furniture and Cabinetwork—						
Bedsteads	...	...	...	2,80,571	96,298	1,35,595
Furniture of wood and other materials (other than Bedsteads)	...	...	...	18,58,376	13,27,332	4,30,565
Mouldings	...	...	...	5,56,638	1,17,868	1,29,462
Glass and Glassware—						
Rangles	...	...	...	72,13,125	39,64,616	58,39,500
Beads and false Pearls	11,777	5,991	10,092	24,23,259	11,97,376	18,72,396
Bottles and Phials	147,142	110,117	119,897	20,35,577	11,73,867	13,23,376
Funnels, Globes and Glass Parts of Lamps... ..	...	...	...	7,69,895	6,74,577	10,87,918
Sheet and Plate... ..	6,143,583	4,711,055	6,739,248	26,96,319	16,48,787	15,64,171
Tableware including Decanters, Tumblers, etc.	...	...	...	7,32,140	10,29,972	4,21,063
Other sorts	...	...	...	19,20,833	13,83,966	18,92,587
Grain, Pulse and Flour—						
Beans, dry	197	969	189	37,838	1,92,753	41,834
Jawar and Bajree	23	3,894	2,492	2,974	7,95,412	4,26,400
Barley	...	65	497	10	9,568	93,750

FOREIGN TRADE OF THE PORT OF BOMBAY—IMPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Instruments and Apparatus and Appliances and parts thereof—						
Optical				6,38,527	1,09,056	1,78,365
Electrical				1,80,85,527	1,65,95,382	81,92,685
Musical				12,83,886	7,04,916	6,56,944
Photographic				21,26,871	18,96,848	17,75,393
Scientific and Philosophical				18,83,714	12,90,616	8,86,116
Survival				10,13,272	6,92,691	5,83,649
Other sorts				6,78,185	3,45,840	2,11,598
Ivory, unmanufactured		481,287	340,947	20,37,069	89,52,887	30,66,913
" manufactured				1,08,870	87,407	1,14,389
Jewellery, and Plate of Gold and silver (excluding Imitation Jewellery, Precious Stones and Pearls unset)				12,80,062	7,69,581	9,99,456
Leather—						
Hides (Tanned or Dressd)		10	18	9,44,056	96,024	1,46,343
Skins (Tanned or Dressd)		4,859	3,754	6,01,316	1,85,378	2,23,351
Unwrought		14	17	1,43,935	49,216	25,811
Leather Cloth		28,018	52,406	3,65,773	1,37,794	2,87,102
Leather Artificial		456	79	1,06,810	2,268	24,491
Leather Manufactures—						
Bags and Trunks				1,39,199	27,065	25,800
Pickers				9,76,556	9,39,825	5,19,866

FOREIGN TRADE OF THE PORT OF BOMBAY—IMPORTS—(continued.)

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Machinery not being Prime Movers or Electrical—						
Agricultural Machinery value.				Rs.	Rs.	Rs.
Aerated Water Machinery "				6,42,665	3,15,134	1,27,663
Boots and Shoes manufacturing machinery "				90,670	37,913	1,03,564
Leather Tanning and Curing machinery "				3,29,470	98,345	8,400
Mining machinery "				45,411	41,881	2,226
Paper Mill Machinery "				1,68,726	1,27,049	1,30,442
Boilers "				89,352	69,019	8,886
Metal Working Machinery including Machine Tools "				47,35,324	82,91,798	43,07,896
Oil Crushing & Refining Machinery. "				52,00,661	37,16,424	23,84,863
Refrigerating Machinery "				2,23,279	6,95,025	96,390
Rice & Flour Mill Machinery "				8,40,241	3,15,745	4,01,883
Saw Mill & Wool Working Machinery "				12,39,941	12,10,352	4,34,350
Shuttles "				1,13,757	6,78,400	2,17,979
Textile Machinery "				13,40,903	14,57,654	8,67,834
Sewing—Knitting machine No.				2,90,05,357	6,71,56,715	6,84,24,379
" " " parts of	13,342	3,893	8,747	13,85,740	2,46,189	9,35,043
" and Accessories value.				5,64,990	2,37,189	1,41,716
Sugar machinery "				65,375	51,351	4,70,057
Typewriters "	6,395	2,470	1,501	13,95,808	5,42,026	2,86,927
Do. parts and Accessories of ... value.				1,29,474	53,917	14,238

FOREIGN TRADE OF THE PORT OF BOMBAY—IMPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Lead.—Unwrought—Ore	465	.....	.....	Rs.	Rs.	Rs.
" " Pig	4,406	344	2,087	3,01,907	186	.....
" " Other sorts	3,310	276	.....	99,237	7,071	41,500
" Wrought Steel Sheets Pipes and Tubes	9,557	7,267	10,561	1,22,077	2,958	.....
" " Other sorts	4,020	2,482	2,193	3,69,695	2,29,473	3,00,293
Quicksilver	12,750	87,189	144,247	1,75,791	71,435	61,113
Solder	66	24	12	38,866	1,84,182	3,19,189
Tin.—Unwrought—Blocks Ingots Bars and slabs	10,004	12,169	10,048	7,592	1,796	1,025
" Wrought—Plates Sheets, etc.	139	571	124	15,66,328	16,81,560	12,26,612
Zinc or Spelter	20,560	35,168	19,481	47,234	76,018	21,629
Metals Other sorts	6,358	6,003	2,048	6,33,771	7,54,767	4,54,158
Oil Mineral—Kerosine	14,199,859	11,177,467	15,119,407	5,48,059	2,59,298	1,74,898
" " Fuel	24,017,703	34,193,860	40,275,685	1,10,77,923	87,77,190	95,13,799
" " Lubricating	4,482,802	2,461,543	2,758,658	40,67,418	62,31,137	83,69,660
" " Other sorts	197,393	369,380	308,947	89,24,447	53,22,701	48,34,768
" Animal	14,708	3,365	6,916	4,08,138	8,12,545	4,66,170
				53,462	14,775	29,038

Oil Essential natural	...	...	12,993	9,338	12,060	4,54,026	2,18,467	2,39,393
" " Synthetic	...	...	2,154	428	1,090	3,27,222	83,417	90,690
" Coconut	...	...	4,273	78	25	11,089	245	115
" Linseed	...	...	167,007	205,833	182,690	9,34,473	7,97,408	6,94,837
" Other sorts	...	...	7,295	15,034	3,892	28,026	52,929	14,918
Oil Cloth and Floor Cloth	...	...	676,815	90,097	266,485	14,57,461	3,03,753	5,44,964
Opium	...	sq. yds.	1	2	.....	81	137	.....
Packing—Engine and Boiler of all kinds	...	lbs.	.....	.....	.....	96,408	73,963	50,158
Paper and Paste Board	...	value.	612,267	385,930	529,027	2,74,56,683	87,82,236	1,10,84,892
Perfumery	...	cwts.	.....	.....	.....	1,27,532	1,21,759	1,24,191
Pitch Tar and Dammar	...	value.	67,244	66,453	57,300	5,19,553	5,60,671	4,79,838
Painter's materials—	...	...	...	...	...	...	...	...
Turpentine	...	...	3,895	2,978	2,236	2,8,414	1,41,891	1,04,003
Varnish	...	...	11,108	4,616	8,897	11,78,891	5,40,945	9,15,105
Other sorts	...	...	.....	.....	.....	1,62,301	2,24,804	1,65,065
Paints and Colours—	...	...	...	...	...	...	...	...
Enamels prepared	...	...	1,593	761	1,160	1,82,801	1,15,773	1,42,702
Graphite	...	cwts.	3,696	4,067	3,882	56,725	90,976	61,733
Red and white Lead	...	...	27,416	15,448	25,065	11,22,271	6,70,247	7,68,067
Zinc white	...	...	11,702	13,202	19,399	7,02,285	6,76,393	8,82,414
Other sorts	...	...	78,730	51,037	63,068	35,99,921	21,41,289	23,60,602
Polishes Composition for application—	...	...	...	...	...	...	...	...
to leather	...	...	.....	.....	.....	10,33,241	2,08,816	3,33,793
to Metals, etc.	...	value.	.....	.....	.....	2,22,771	3,31,884	4,14,615
Polish, Wood	...	...	.....	.....	.....	59,250	71,743	76,649
Precious stones	...	...	.....	.....	.....	45,649	1,517	94,94,448
Pearls	...	...	.....	.....	.....	61,54,560	67,32,374	93,50,080
Printing & Lithographing Machinery & Materials	...	...	.....	.....	.....	16,01,940	11,54,803	8,23,542

FOREIGN TRADE OF THE PORT OF BOMBAY—IMPORTS—(continued.)

ARTICLES	Quantities.				Value.		
	1920-1921.	1921-1922.	1922-1923.		1920-1921.	1921-1922	1922-1923.
Provisions and Oilmanstores:—							
Biscuits and Cakes	7,979	4,109	6,197		Rs. 8,30,779	Rs. 5,90,702	Rs. 6,42,860
Cheese	3,711	2,910	3,379		6,99,946	4,85,462	4,62,645
Cocoa & Chocolate	2,494	1,839	1,486		3,38,033	2,97,699	2,97,699
Milk, condensed and preserved	16,013	32,541	4,598		9,49,359	30,49,862	3,99,455
Ham and Bacon	2,329	2,512	5,297		4,37,260	5,11,182	6,75,947
Farinaceous and Patent Food	44,885	60,047	32,930		8,35,148	10,16,039	9,63,566
Jams and Jellies	6,489	3,928	3,889		3,20,548	2,56,674	2,11,912
Pickles, Chutnies, Sauces and Condi- ments	892	316	412		57,716	44,255	62,066
Canned & Bottled Provisions	47,531	30,323	28,137		59,80,553	27,52,149	24,81,529
Other Sorts of Provisions ... value.	.....	...	.....		6,99,980	2,43,347	2,91,372
Prints, Engravings and Pictures ... ..	.....	.....	.....		1,44,403	2,37,961	2,37,428
Railway Plant and Rolling Stock:—							
Carriages and Wagons and Parts thereof ... ..	.....	.....	.....		2,38,19,553	1,61,45,004	1,85,89,996
Locomotive Engines and Tenders and parts thereof ... ..	.....	.....	...		1,30,56,050	1,57,70,372	83,83,083
Materials for Construction:—							
Bridge work ... ..	.....	.....	...		2,14,902	38,04,982	19,69,545
Rails, Chairs and Fishplates of Steel or Iron	473	7,981	5,101		36,23,855	42,30,090	21,81,476
Sleepers and Keys of Steel or Iron	11,767	24,593	14,337		77,25,671	88,56,316	60,32,416
Sleepers of wood	81,978	37,171	30,654		6,53,781	15,02,016	2,16,798
Other kinds of materials	6,164	9,942	1,676		27,81,805	35,28,779	12,51,097
Rubber:—							
Raw	8,126	7,361	4,146		1,194	2,143	198
	1,552	55.1	130				

FOREIGN TRADE OF THE PORT OF BOMBAY—IMPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Tea Black lbs.	1,497,180	301,289	1,029,375	8,12,084	1,74,477	7,14,805
" Green "	3,723,822	6,067,030	3,214,630	23,86,746	44,94,696	26,42,795
Telephone material for construction and accessories value	.....	.....	.....	4,61,154	12,26,725	8,49,701
Textiles—						
Cotton						
Raw tons	9,259	23,957	10,168	1,69,37,881	3,37,83,717	1,69,02,227
Waste cwts.	1	6	65	110	110	8,077
Twist and Yarn lbs.	34,941,556	31,183,836	33,869,317	6,90,88,207	5,72,94,321	4,93,24,671
Blankets "	831,644	441,363	76,528	6,38,037	3,42,968	65,964
Canvas yards	293,627	219,976	162,061	4,20,138	2,27,512	1,87,170
Handkerchiefs No.	5,389,821	888,069	1,147,863	18,05,995	2,28,663	2,19,941
Shawls "	180,073	128,528	452,671	3,14,030	1,84,744	5,90,132
Hosiery ... .. "	.....	.....	.....	51,64,826	16,03,649	19,29,326
Lace and Patent net yds.	373,752	149,367	490,909	4,55,045	1,30,054	4,00,432
Grey Piece Goods, Unbleached "	143,249,973	116,661,569	133,695,789	6,67,07,323	4,13,06,348	4,81,50,973
White " Bleached "	102,049,443	49,902,453	61,869,714	5,46,20,646	2,21,81,782	2,46,51,239
Coloured Printed or Dyed Piece Goods "	177,842,374	34,070,597	79,791,552	12,73,65,940	1,95,93,161	4,07,63,617
Fents of all descriptions "	13,786,588	8,413,146	16,283,347	58,05,013	21,47,167	43,39,619
Rope lbs.	519,021	783,827	679,329	12,76,152	14,39,719	10,50,643
Thread Sewing "	545,144	383,626	465,097	32,14,209	24,08,814	25,51,644
" Manufactures, other sorts value.	.....	.....	.....	17,07,056	8,52,312	6,15,219
Flax—Canvas yards.	511,248	134,165	158,841	18,09,154	2,85,338	2,56,057
Piece Goods "	272,999	165,614	365,614	2,80,239	1,42,321	2,70,107
Thread Sewing lbs.	20,773	26,527	4,642	1,59,885	1,86,948	24,475

Flax Manufactures, other sorts ...	value.	.....	....	.....	5,48,503	2,77,964	3,86,287
Haberdashery and Millinery ..	"	.....	974	.....	1,61,00,242	32,56,545	55,84,802
Hemp—Raw ...	"	.....	407	609	20,517	16,635	82,774
" Manufactures, ...	"	.....	.....	.....	4,18,185	1,67,447	85,003
Jute—Raw ...	ton.	.....	.....	.....	120	.....	.....
" Twist and Yarn ...	lbs.	20,380	118	.....	7,761	165	.....
" Canvas ..	yards.	344,659	83,638	193,592	4,61,859	1,44,219	1,83,840
" Manufactures, other sorts ..	value.	.....	.....	.....	2,82,776	1,73,524	2,85,271
Silk—Raw ...	lbs.	1,511,227	1,311,521	1,366,797	1,19,61,972	1,01,33,554	1,10,02,272
" Waste ...	"	125,628	159,643	130,511	3,30,348	3,06,383	3,44,237
" Yarn—Noils and warps ...	"	752,756	566,296	886,649	80,90,604	43,10,395	61,24,734
" Piece Goods mixed with other materials ...	yards.	1,603,902	602,738	804,888	41,58,177	10,40,729	14,55,398
" Piece Goods ...	"	16,261,948	10,521,908	10,367,660	3,09,85,218	1,89,17,410	1,74,02,989
" Thread for Sewing ...	lbs.	1,196	860	2,769	37,195	21,618	67,640
" Manufactures, other sorts ..	"	23,059	8,009	11,225	4,57,582	2,26,909	1,42,205
Wool—Raw... ..	"	702,343	548,011	961,103	4,37,172	2,67,203	6,54,601
" Yarn and Knitting Wool ...	"	86,267	88,421	96,362	8,13,340	4,88,050	6,06,865
" Blankets ...	"	55,167	12,204	20,380	1,01,780	31,340	53,292
" Carpets and Rugs ...	"	249,012	193,800	178,648	11,40,303	7,96,919	5,70,908
" Hosiery ...	"	118,739	25,136	45,736	10,48,046	2,08,376	3,34,480
" Piece Goods ...	yards.	6,520,707	938,154	1,160,464	2,71,93,097	40,86,868	36,84,757
" Shawls ...	No.	3,258	35,412	87,158	35,467	66,697	2,37,945
" Manufactures, other sorts...	lbs.	84,556	44,753	79,458	2,09,145	1,36,165	1,42,478
Artificial Silk—							
Artificial Silk Yarn ...	"	68,712	62,504	201,273	5,92,852	3,93,472	12,11,072
Piece Goods of Cotton & Artificial Silk yards.	"	3,916,558	370,719	1,140,697	55,03,802	5,20,883	14,33,089
Tobacco—							
Unmanufactured ...	lbs.	630,172	287,567	207,248	7,69,255	2,92,406	2,44,188
Manufactured—							
Cigars ...	"	16,182	7,177	8,870	1,32,983	75,064	84,275

FOREIGN TRADE OF THE PORT OF BOMBAY—IMPORTS—(concluded).

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Cigarettes ... lbs.	1,106,757	691,739	767,937	Rs.	Rs.	Rs.
Tobacco for Pipes and Cigarettes ...	190,165	65,114	65,594	50,79,958	34,92,357	38,29,682
other sorts ...	4,290	19,732	7,608	5,95,292	2,73,902	3,58,831
Toilet requisites ... value.	.....	.....	.....	13,646	86,743	41,003
Toys ...	.....	.....	.....	15,98,394	12,11,243	18,86,957
Requisites for Games and Sports ...	.....	.....	.....	18,44,919	13,17,019	19,56,575
Umbrellas (including Parasols and Sun-shades) ... No.	153,690	119,319	33,896	7,49,314	3,59,159	4,98,611
Umbrella Fittings ... value.	.....	.....	.....	6,58,631	5,96,461	1,42,755
Vehicles—Excluding Locomotives, etc., for Railways:—	.....	.....	.....	5,89,486	4,57,552	7,02,675
Carriages and Carts ... No.	943	1,428	1,393	13,02,176	7,54,758	2,58,516
parts of ... value.	.....	.....	.....	7,15,259	10,83,549	1,89,949
Peddlers and children's (to carts and parts ...	.....	.....	.....	87,844	51,083	73,515
Cycles and parts thereof and accessories ...	.....	.....	.....	17,45,879	5,10,444	12,12,668
Motor Cars including Taxicabs ... No.	4,908	908	1,471	2,69,557	78,55,381	59,51,882
Cycles including Scooters ...	1,329	148	176	14,91,374	2,26,012	1,88,364
Omnibuses, Vans and Lorries. ...	1,052	172	128	91,69,003	9,04,351	9,11,181
Parts of Mechanically propelled Vehicles and Accessories ... value.	.....	.....	.....	67,61,801	24,08,096	16,88,438

Ships, parts of value.	.....	.....	.....	.....	2,07,723	16,10,466	27,86,911
Wax of all kinds other than Paraffin	683	2,359	2,103	41,288	1,42,981	1,37,880	1,37,880
Wood and timber :—							
Timber other than Railway Sleepers :—							
Deal and Pine Wood Cubic tons.	6,860	4,877	6,011	13,10,273	7,94,751	6,57,972	6,57,972
Teak wood "	27,044	31,486	15,621	48,78,440	43,25,526	24,72,708	24,72,708
Other Timber "	8,554	6,197	3,462	12,97,789	8,26,577	4,49,613	4,49,613
Wood—Firewood tons.	88	79	.....	1,635	2,090	.....	.....
Ornamental wood—Sandal "	729	442	401	3,21,463	1,87,325	1,82,402	1,82,402
" Other sorts value.	.....	.....	.....	40,393	27,314	23,345	23,345
Manufactures of Wood other than	.....	.....	.....	3,40,569	3,39,338	3,13,034	3,13,034
Cabinetware and Furniture ... .. "	.....	.....	.....	4,65,15,262	2,65,78,280	2,16,41,995	2,16,41,995
Articles imported by Post ... .. "	.....	.....	.....	31,06,593	29,12,702	29,79,494	29,79,494
All other Articles ... .. "	.....	.....	.....	.....	.....	.....	.....
Total Value Rs.	.....	.....	.....	1,28,13,18,600	96,40,26,760	88,21,05,604	88,21,05,604
Treasure—Gold (Private) ... ozs.	1,730,567	1,757,351	5,695,918	11,45,08,879	13,50,37,128	40,08,87,839	40,08,87,839
" Silver (") ... ozs.	40,157,297	70,772,616	84,751,181	10,38,14,971	16,70,17,629	18,12,50,874	18,12,50,874
Total Treasure ... ozs.	41,887,864	72,529,967	90,447,099	21,78,23,850	30,20,54,757	58,16,38,713	58,16,38,713
Grand Total Rs.	.....	.....	.....	1,49,91,42,450	1,28,50,81,517	1,46,37,44,317	1,46,37,44,317

FOREIGN TRADE OF THE PORT OF BOMBAY—EXPORTS.

Quantities and Value of the Principal articles exported in the official Years 1920-21 to 1922-23.

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
INDIAN PRODUCE AND MANUFACTURES.						
Animals, living	729	271	186	Rs.	Rs.	Rs.
Apparel ... ..	.....	.....	.....	1,30,240	8,665	12,623
Books, Printed and Printed matters	3,760	4,130	4,110	2,76,353	11,24,511	12,74,688
Books and shoes	236,931	98,566	114,802	2,53,198	5,39,632	3,91,525
Bristles	885	487	1,454	11,83,869	3,04,015	3,14,995
Candles of all kinds	316,086	390,348	204,903	3,94,315	2,53,934	8,44,271
Casein	17,599	4,914	13,907	1,65,444	1,49,915	1,08,905
Chemicals and chemical preparations ... ..	.....	.....	.....	4,90,818	1,37,708	5,12,509
				4,32,587	85,051	1,32,670
Coal, Coke, and Patent Fuel—						
Coal	3,330	1,081	3	1,18,312	60,328	48
Coke	203	336	306	16,186	29,317	28,517
Coffee	15,119	15,820	7,017	9,98,103	9,15,980	8,91,860
Cotton, unmanufactured and manufactured (excluding Rope)	453	259	201	1,75,088	1,00,219	94,480
Drugs and Medicines—						
Nuxvomica	4,233	1,530	1,800	84,474	54,020	38,566
Senna	366	1,010	874	9,257	16,631	17,439
Other sorts ... ..	.....	...	.....	3,87,207	2,45,376	3,86,482
Dyeing and Tanning Substances—						
Indigo	1,301	837	556	5,96,847	3,24,808	1,87,810
Myrabollams	443,867	578,870	633,384	23,51,478	26,58,969	31,69,268
Turneric	21,830	17,094	16,655	5,47,830	4,76,684	4,93,612
Other sorts	2,741	1,696	2,763	44,769	58,835	66,063

FOREIGN TRADE OF THE PORT OF BOMBAY—EXPORTS—(continued).

ARTICLES.	Quantities.			Value.		
	1920-1921.		1921-1922.	1922-1923.		1922-1923.
Skins—Raw	4,337 2,894,820	5,574 3,318,208		7,504 4,387,739	Rs. 69,42,213	Rs. 96,60,594
Hides—Tanned or Dressed	477 129,534	1,048 269,815		1,097 352,585	Rs. 40,89,368	Rs. 42,06,502
Skins—Tanned or Dressed	233 562,151	388 809,408		389 999,839	Rs. 19,17,375	Rs. 19,88,905
Horns Tips & Pieces of Horn & Hornmeal cwts.	15,184	3,594		5,230	Rs. 67,994	Rs. 1,01,019
Luc—Seed, Shell, etc.	81	140		28	Rs. 13,440	Rs. 7,225
Leather, Unwrought	853	1,673		3,227	Rs. 2,45,340	Rs. 4,63,491
" Saddlery and Harness ... ..	.....	.....		.....	Rs. 3,49,404	Rs. 17,349
" Manufactures, other sorts ... ..	.....	.....		.....	Rs. 59,269	Rs. 82,198
Manures—Bones and other sorts of	10,090	10,008		13,834	Rs. 11,43,470	Rs. 15,77,003
Metals and Ores—						
Brass, Bronze and similar alloys, wrought	1,571	1,693		2,055	Rs. 3,00,985	Rs. 3,92,909
Copper—Wrought	879	785		673	Rs. 91,328	Rs. 83,842
Iron or Steel (Pig)	66	20		.....	Rs. 2,900	Rs.
" Manufactures	442	559		849	Rs. 2,68,008	Rs. 2,47,401
Manganese Ore	391,650	279,084		406,832	Rs. 66,94,516	Rs. 87,40,055
Metals—Other sorts	2,200	1,793		1,903	Rs. 4,77,780	Rs. 4,30,563
Ores—Other sorts	3,701	2,381		1,733	Rs. 48,674	Rs. 33,440
Mica	1,685	676		30	Rs. 96,490	Rs. 22,350
Oils—						
Animal	13,945	2,386		8,774	Rs. 3,143	Rs. 8,978

Essential Sandalwood oil	...	lbs.	114,654	47,404	57,262	28,36,110	10,35,030	10,83,476
" Lemon Grass oil	...	gallons	56	.....	104	3,000	.....	2,800
" Cinnamon oil	...	"	1,692	2,735	.....	49,954	61,495	* 7,150
" Ginger Grass oil	...	"	818	200	112	39,650	10,800	179,459
" Palm Rosa	...	"	1,475	1,277	1,722	1,17,062	1,05,025	4,49,808
" Rosa	...	"	5,169	6,085	5,401	2,91,065	3,65,920	90,070
" Other sorts	...	"	3,482	3,261	3,476	72,056	70,698	8,108
Mineral	...	"	1,979	4,455	932	4,548	8,774	31,933
Cocanut	...	"	36,673	19,875	10,865	1,22,595	64,338	5,909
Castor	...	"	3,211	2,075	1,791	11,282	8,459	.....
Cotton Seed	...	"	4,120	.....	.....	23,669	.....	19,798
Groundnut	...	"	8,556	17,782	6,236	35,666	61,054	2,01,673
Gingelly	...	"	71,391	31,926	80,820	2,06,638	2,05,350	5,685
Linseed	...	"	177,771	1,789	1,409	8,61,173	8,110	9,930
Mustard or Rape Seed	...	"	2,384	5,432	3,056	8,452	15,767	415
Vegetable other sorts	...	"	1,307	978	129	4,500	6,150	.....
Oil Cakes—	...	tons.	118	...	142	15,159	.....	15,210
Castor Cake	...	"	3,016	1	791	4,31,683	83	1,15,497
Cotton Cake	...	"	3,729	7,701	3,927	4,92,099	1,43,760	5,68,602
Ground Nut Cake	...	"	6,032	5,137	5,394	10,93,049	8,85,907	8,43,742
Linseed Cake	...	"	91	141	5,515	6,259	22,672	7,63,832
Other sorts	...	"	4	1	1	2,730	1,350	900
Paraffin Wax	...	cwts.	...	.....	.....	69,510	94,397	68,506
Perfumery	...	value.	.....	.....	.....	44,310	14,510	27,317
Precious Stones and Pearls	...	"	.....	.....	.....	.....	.....	.....
Provisions and Oilmanstores—	...	...	...	...	...	...	...	...
Butter	...	cwts.	5,079	4,843	4,267	4,54,444	6,66,706	5,55,256
Ghi	...	"	17,192	14,610	4,217	14,62,318	13,00,955	4,65,780
Pickles, Chutnies, and Condiments	...	"	11,970	12,618	14,179	3,61,408	4,69,096	4,93,731
Other sorts	...	value.	.....	.....	.....	1,47,784	1,70,311	1,91,836
Rubber Raw	...	lbs.	50,196	.....	224	16,250	.....	500
Seeds—	...	...	...	...	...	...	...	...
Essential	...	tons.	2,417	3,364	7,277	11,26,841	14,41,108	36,47,897

FOREIGN TRADE OF THE PORT OF BOMBAY--EXPORTS--(continued).

ARTICLES.	Quantities.			Value.		
	1930-1931.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
				Rs.	Rs.	Rs.
Caster	12,723	43,309	49,561	28,45,520	86,40,498	1,11,73,742
Copra	139	185	78	99,106	1,31,682	53,755
Cotton	81,168	86,843	169,463	79,85,603	97,98,889	1,83,30,563
Groundnut	12,742	26,873	42,630	42,15,296	76,44,264	1,20,60,755
Linseed	70,448	52,658	108,569	2,37,54,987	1,40,84,909	2,94,19,279
Mowra	8,061	909	23,211	8,43,795	1,54,245	34,01,700
Mustard	1,090	585	3,595	4,43,434	1,83,448	11,36,804
Niger	55	334	999	15,595	90,488	2,20,324
Poppy	8,260	4,841	4,341	12,45,791	15,34,346	13,23,663
Rape	34,296	8,606	24,785	93,70,246	21,77,862	66,85,811
Teelseed	10,818	24,817	27,580	42,86,942	75,04,029	86,89,955
Other sorts	159	299	15,379	58,645	81,232	19,97,149
Soap	3,510	5,701	5,412	90,716	1,46,705	1,59,695
Stationery	.....	.....	.....	78,789	75,115	47,740
Spices :—						
Betelnuts	3,429	2,612	2,421	96,551	1,26,674	1,27,068
Cardamoms	4,015	4,292	2,756	5,67,921	6,14,842	4,49,076
Chillies	11,847	11,831	14,231	3,81,180	4,22,451	4,97,606
Ginger	39,251	42,367	27,091	11,41,357	11,34,788	9,47,859
Pepper	22,357	15,171	19,515	11,46,519	6,75,898	8,57,070
Other sorts	123	188	106	4,478	5,747	8,417
Sugar.—16 Dutch standard and above	755	693	986	6,38,010	4,72,633	2,62,508

Sugar—15 Dutch Standard and below ... tons.			280	415	.....	7	1,27,547	2,06,765	.....	9,480
" Confectionery ... "	" "	" "	18	14	.....	84	34,428	18,823	.....	58,564
" Molasses ... "	" "	" "	.....	.....	.....	.....	.....	.....	.....	31,31,797
" Tea Black ... "	" "	" "	3,600,303	2,255,782	3,909,208	.....	28,67,224	16,39,344	.....	1,35,298
" Green ... "	" "	" "	.....	.....	.....	.....	.....	.....	.....	.....
" Tallow and Stearine ... "	" "	" "	9,229	4,218	.....	3,506	4,84,677	1,56,627	.....	.....
Textiles:—										
Cotton—Raw {	...	...	292,182	431,331	488,405	.....	33,17,11,509	43,87,92,562	58,13,48,187	.....
" Waste ... "	or Bales of 400 lbs.	...	1,635,610	2,415,451	2,735,074	.....	51,57,140	48,84,115	96,31,109	.....
" Kapok ... "	" "	" "	205,609	235,266	456,758	.....	1,10,131	1,22,966	4,72,999	.....
" Twist and Yarn ... "	" "	" "	2,178	3,304	11,506	.....	9,43,75,539	7,46,24,340	5,37,75,517	.....
" Canvas ... "	" "	" "	77,997,820	78,306,409	55,992,318	.....	15,407	31,170	4,950	.....
" Handkerchiefs and Shawls ... "	" "	" "	6,867	24,080	4,740	.....	5,35,424	2,70,296	2,26,992	.....
" Hosiery ... "	" "	" "	315,217	328,955	240,205	.....	89,124	1,43,359	1,44,986	.....
" Grey Piece-Goods (Unbleached) yds.	" "	" "	47,316,156	23,795,441	30,546,089	.....	2,16,12,775	96,20,398	1,11,44,211	.....
" White (Bleached) "	" "	" "	1,294,737	586,861	1,614,734	.....	7,78,110	3,07,440	2,61,699	.....
" Coloured Printed or Dyed Piece Goods ... "	" "	" "	.....	.....	.....	.....	.....	.....	.....	.....
" Thread Sewing ... "	" "	" "	66,039	192,460,034	89,819,245	.....	3,19,01,497	4,31,48,185	3,64,65,793	.....
" Manufactures, other sorts ... value	" "	" "	157,924	191,164	183,380	.....	2,48,764	3,26,580	3,05,252	.....
" "	" "	" "	1,510,769	2,677,933	2,633,809	.....	31,30,286	30,54,633	24,34,757	.....
Haberdashery and Millinery ... "	" "	" "	.....	.....	.....	.....	.....	.....	.....	.....
Hemp—Raw ... "	" "	" "	96,128	49,825	113,598	.....	28,18,154	10,51,488	19,35,014	.....
" Manufactures ... "	" "	" "	.....	.....	.....	.....	19,478	18,636	1,225	.....
Jute—Raw ... "	" "	" "	22	.....	.....	.....	4,560	.....	.....	.....
" Manufactures ... "	" "	" "	.....	.....	.....	.....	.....	.....	.....	.....
Silk—Raw ... "	" "	" "	237,055	186,460	160,290	.....	13,78,176	7,33,380	21,04,845	.....
" Goods Mixed with other Materials yds.	" "	" "	43,085	40,976	52,238	.....	4,53,378	2,89,075	4,53,233	.....
" Piece-Goods ... "	" "	" "	32,627	45,227	17,831	.....	74,941	71,503	79,926	.....
" Thread Sewing ... "	" "	" "	1,030	.....	1,117	.....	80,716	95,963	29,612	.....
" Other sorts ... "	" "	" "	790	803	1,424	.....	3,575	.....	17,830	.....
Wool—Raw ... "	" "	" "	10,752,711	16,812,389	26,840,812	.....	3,542	3,000	3,300	.....
" Carpets and Rags ... "	" "	" "	757,319	672,124	1,048,080	.....	1,24,55,068	1,45,78,399	2,48,00,828	.....
" Piece-Goods ... yds.	" "	" "	22,080	10,806	13,997	.....	28,04,115	29,74,601	39,08,927	.....
" Shawls ... No.	" "	" "	189	775	313	.....	79,803	50,288	44,499	.....
							1,751	8,950	3,805	.....

FOREIGN TRADE OF THE PORT OF BOMBAY—EXPORTS—(continued.)

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Wool Manufactures, other sorts ... lbs.	172,807	192,553	211,193	Rs. 3,50,608	Rs. 39,942	Rs. 82,244
Tobacco—						
Unmanufactured	6,348,714	4,878,199	4,784,256	24,50,845	22,63,182	23,74,614
Manufactured Cigars	31,793	32,392	10,323	55,957	59,407	33,096
Cigarettes	89,903	7,243	11,637	99,486	15,965	16,376
" Other sorts	10,429	9,862	2,993	6,985	6,701	3,046
Umbrellas, Parasols and Sunshades ... No.	8,650	10,386	42,372	26,168	36,084	1,31,646
Wax of all kinds	310	585	.....	19,671	53,964	.....
Wood and Timber—						
Timber—Teakwood ... Cubic tons.	848	560	177	3,31,354	2,48,231	57,708
" Other sorts	2,081	370	422	4,68,028	58,960	1,22,418
Wood—Firewood tons.	303	234	70	6,090	3,101	1,660
Ornamental—Sandal	117	161	239	1,94,007	2,95,031	3,75,984
" Other sorts value.	.....	.....	.....	32,197	25,303	2,968
Wood—Manufactures of other than Cabinet ware and Furniture ... ..	.....	.....	.....	1,30,142	4,05,369	1,31,834
Articles exported by Post ... ..	.....	.....	.....	94,07,276	91,91,607	99,93,974
All other Articles ... ..	.....	.....	.....	13,57,762	16,88,357	17,03,746
Total Value Rs.	.....	.....	.....	65,58,86,650	72,21,33,907	91,33,26,371

FOREIGN MERCHANDISE.

	No.	89	190	176	114,865	126,850	280,112
Animals, Living	...	...	...	...	30,12,064	55,51,047	26,81,797
Apparel	...	...	...	...	1,38,838	6,41,537	2,37,278
Books and Printed Matter	...	...	...	...	4,63,950	2,38,570	78,980
Boots and Shoes	...	...	...	...	80,251	1,60,188	69,702
Building and Engineering Materials	...	...	...	...	5,56,023	4,25,919	5,05,891
Chemicals and Chemical Preparations	...	...	...	...	41,818	28,596	96,385
Clocks and Watches and parts thereof	...	...	...	...	21,605	13,09,118	19,76,160
Coal Coke and Patent Fuel	...	...	...	...	12,29,743	7,19,646	8,12,842
Coffee	...	...	...	...	4,95,022	5,92,379	5,94,916
Cutlery	...	...	...	...	...	...	...
Drugs and Medicines—	...	...	...	...	...	...	...
Assafoetida	...	...	...	...	2,34,940	98,648	1,28,511
Camphor	...	...	...	...	1,68,855	62,181	78,381
Cassia Lignia	...	...	...	...	1,88,258	2,50,817	2,67,757
Other sorts	...	...	...	...	7,42,510	5,06,573	2,91,700
Dyeing and Tanning Substances—	...	...	...	...	...	...	...
Cochineal	...	...	...	...	63,883	7,350	12,956
Alizarine	...	...	...	...	4,025	3,810	1,996
Aniline	...	...	...	...	94,437	4,54,724	8,10,111
Safron	...	...	...	...	87,179	68,457	52,345
Other sorts	...	...	...	...	72,905	72,627	86,950
Earthenware and Porcelain	...	...	...	...	6,53,187	5,90,001	4,11,535
Fish—Fishmaws and Sharkfins	...	...	...	...	11,41,671	14,68,473	12,01,125
" Other Sorts	...	...	...	...	10,012	.....	11,985
Fruits and Vegetables—Fresh	...	...	...	...	2,746	180	600
Fruits and Vegetables Dry—Dates	...	...	...	...	6,45,875	6,86,655	1,74,130
" Dry Other sorts	...	...	...	...	45,06,860	36,71,655	42,95,019
Furniture and Cabinetwork	...	...	...	...	2,64,888	3,02,692	2,73,925
Glass and Glassware—	...	...	...	...	...	...	...
Beads and False Pearls	...	...	...	...	79,535	1,20,594	1,03,387
Bottles	...	...	...	...	46,774	34,582	26,705
Sheet and Plate	...	...	...	...	79,965	22,739	22,144
Other sorts	...	...	...	...	13,54,249	12,90,703	8,85,054

FOREIGN TRADE OF THE PORT OF BOMBAY—EXPORTS—(continued).

ARTICLES.	Quantities.				Value.			
	1920-1921.	1921-1922.	1922-1923.		1920-1921.	1921-1922.	1922-1923.	
Grain, Pulse and Flour—								
Rice not in the husk ...	....	....	175		Rs. ...	Rs.	Rs. 34,442	
Wheat ...	....	....	....	50	4,400	6,600	8,890	
Other sorts ...	....	40	....					
Gums and Resins—								
Arabic ...	8,855	11,349	13,488		3,47,059	3,67,030	4,47,304	
Benjamin ...	366	1,236	1,119		57,450	64,356	54,711	
Oilbanum ...	12,513	15,854	15,573		4,07,011	4,66,461	4,64,479	
Other sorts ...	24,071	25,774	27,886		17,71,094	14,76,876	11,21,696	
Hardware ...	....	....	....		22,97,160	17,92,597	15,20,114	
Hides and Skins—								
Skins—Raw ...	135	105	185		56,96,017	27,78,372	67,00,177	
Skins—Dressed or Tanned ...	531,710	337,374	706,138					
Horns Tips and pieces of Horn and	12,238	127,962	99,074		1,32,770	9,76,336	9,30,800	
Hornmeal ...	1,632	65	35		1,56,878	76,599	43,060	
Ivory, unmanufactured ...	136,356	166,567	143,853		8,73,513	10,60,336	9,09,538	
" manufactured ...	....	...	....		690	30,545	687	
Instruments, Apparates and Appliances								
and parts thereof—								
Electrical ...	....	....	....		3,38,874	6,96,877	4,41,001	
Musical ...	....	....	....		99,954	71,544	75,188	
Photographic ...	....	....	....		48,051	62,878	1,54,761	

FOREIGN TRADE OF THE PORT OF BOMBAY—EXPORTS.—(concluded.)

ARTICLES.	Quantities.			Value.		
	1920-1921.	1921-1922.	1922-1923.	1920-1921.	1921-1922.	1922-1923.
Spices—						
Cardamoms	62	225	507	Rs. 9,991	Rs. 22,274	Rs. 22,315
Cloves	16,414	18,373	25,379	11,21,599	9,06,684	16,36,113
Nutmegs	215	543	280	11,083	26,984	11,954
Pepper	...	30	123	25	1,801	5,768
Other sorts	177	145	217	12,329	5,707	7,127
Stationery ... ..	.....	...	.....	4,79,004	5,17,226	2,97,872
Sugar—						
Sugar 16 Dutch Standard and above...Tons.	37,551	19,034	40,319	3,18,31,135	1,01,77,684	1,68,57,050
16 " " below ... ..	.....	36	.....	.....	9,730	.....
Confectionery	24	24	13	47,527	42,858	21,124
Tea—Black	251,338	125,450	126,797	2,13,857	91,311	98,188
"—Green	13,789	16,006	22,640	16,633	20,842	25,706
Textiles—						
Cotton—Raw	821	3,314	5,038	25,86,888	59,45,160	1,00,51,107
Twist and Yarn	310,490	351,375	1,482,869	7,42,344	7,42,485	23,32,678
Canvas	32,683	34,568	22,549	69,609	50,887	29,476
Handkerchiefs and Shawls ...	608,988	224,175	201,166	8,99,215	3,56,295	2,46,822
Hosiery ... ..	.....	.....	.....	8,92,951	11,47,201	7,87,746
Lace and Patent net... ..	80,185	8,376	16,858	41,439	11,769	8,650
Grey Piece-Goods (Unbleached) "	32,053,188	46,861,115	51,243,981	1,80,66,029	2,06,38,767	2,04,60,286
" White " (Bleached) ...	5,865,073	6,838,031	5,196,929	38,55,719	38,14,839	25,75,319
" Coloured, Printed or Dyed Piece-Goods	13,147,322	10,952,862	12,585,627	84,85,330	75,59,887	70,06,804
Fents of all descriptions ...	19,555	26,756	04,286	7,998	12,074	57,695
Thread-Sewing	94,333	88,314	74,484	2,08,503	1,77,652	1,67,505
Manufactures, other sorts ...	308,897	267,550	125,267	4,78,403	2,98,959	1,68,283

Haberdashery and Millinery	...	value.	.....	.....	.....	4,91,939	8,94,829	32,097
Silk—Raw	...	lbs.	100,847	42,188	11,781	4,86,558	3,17,664	7,72,719
" Yarn noils and warps	...	"	16,197	80,767	45,865	29,050	4,25,442	69,040
" Goods mixed with other materials	...	yds.	49,576	40,561	6,185	87,187	84,000	33,140
" Piece Goods	...	"	834,557	706,167	293,849	16,56,852	12,13,840	4,77,669
" Thread, Sewing	...	lbs.	1,437	1,150	2,030	7,385	6,600	10,950
" Manufactures other sorts	...	"	4,363	4,396	12,837	34,338	30,484	29,710
Wool—Raw	...	yds.	14,224	12,488	22,637	13,770	6,675	12,730
" Shawls	...	No.	233,517	182,164	206,482	10,65,287	9,37,669	8,55,826
" Manufactures other sorts	...	lbs.	6,567	6,669	6,337	34,753	30,848	37,315
Tobacco Unmanufactured	...	"	180,985	300,434	348,913	9,90,413	17,03,929	20,42,422
" Manufactures for Games & Sports	...	value.	634,672	518,755	118,173	5,62,305	4,68,703	1,17,389
Umbrellas, Parasols and Sunshades	...	No.	134,989	73,137	43,320	4,35,057	3,49,720	1,94,670
Vehicles all sorts excluding Locomotives etc. for Railways	...	value.	14,165	21,723	.....	1,76,653	1,61,371	96,263
Wood and Timber—Teak	...	cubic tons.	175	31	398	53,569	77,460	79,388
" other	...	"	526	92	858	11,11,884	11,74,819	6,25,372
Wood—Ornamental	...	value.	.....	.....	.....	65,603	12,509	1,78,036
" Manufacture of (other than cabinetware and furniture)	...	"	.....	.....	.....	1,27,109	23,519	1,87,766
Articles re-exported by Post	...	"	.....	.....	.....	3,970	8,700	2,480
All other Articles	...	"	.....	.....	.....	7,10,165	5,28,825	4,98,384
	...	"	.....	.....	.....	28,13,391	23,14,210	10,87,258
	...	"	.....	.....	.....	18,36,849	22,16,977	14,47,800
Total Value	Rs.		.....	.....	.....	11,93,73,683	10,33,38,933	10,87,66,945
Total Indian and Foreign Merchandise	Rs.		.....	.....	.....	77,52,59,383	82,44,52,223	1,02,30,98,316
Treasure—Gold (Private)	...	ozs.	2,648,246	2,001,898	5,583	19,55,52,527	16,30,74,988	10,58,291
" Silver (do.)	...	"	12,795,509	8,024,248	8,515,988	2,55,49,097	1,95,38,793	2,10,51,104
Total Treasure	...	ozs.	15,443,755	10,026,141	8,581,574	22,10,94,624	18,26,13,781	2,21,09,395
Grand Total	Rs.		.....	.....	.....	99,68,53,907	1,00,70,66,004	1,04,42,02,711

*Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay to Europe
(including Port Said for orders) during the years 1892 to 1923.*

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	F. P. Bales.	F. P. Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	964,243	58,275	3,805,323	1,758,459	1,227,560	9,374,762	630,138
1893	857,771	49,588	4,219,204	4,275,832	1,510,317	5,048,590	563,053
1894	737,070	54,678	5,389,941	3,306,108	1,136,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,329,827	1,379,835	2,522,993	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,888	1,874,633	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,387,393	1,847,419	5,781,881	635,782
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,185	608	878,740
1901	560,484	33,091	1,754,701	2,386,544	1,704,817	38,619	728,055
1902	577,929	39,798	2,017,704	2,742,283	1,831,426	211,397	1,079,241
1903	958,199	49,332	2,957,685	2,614,181	3,063,821	2,733,625	748,137
1904	926,295	58,319	3,308,798	2,182,881	2,266,118	5,302,304	958,886

EXPORTS OF COTTON, SEEDS, &C.

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1905	...	...	...	667,323	63,566	3,485,956	728,041	1,420,503	4,205,315	621,998
1906	...	...	...	939,693	59,101	1,839,089	829,488	1,578,931	485,747	779,584
1907	...	...	...	1,136,376	54,890	2,333,472	2,028,544	2,235,206	552,660	848,293
1908	...	...	...	639,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	...	...	...	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	...	...	...	1,153,233	63,059	2,546,288	2,137,828	2,864,185	1,673,016	917,208
1911	...	...	...	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	...	...	...	436,208	64,072	3,579,356	1,069,916	1,012,554	3,806,555	652,080
1913	...	...	...	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	...	...	...	1,113,016	54,555	2,622,097	673,060	1,280,086	109,323	755,687
1915	...	...	...	403,322	82,456	1,503,837	543,494	150,068	1,598,092	601,144
1916	...	...	...	293,376	77,109	5,410,560	451,782	1,130,405	546,656	422,365
1917	...	...	...	338,378	84,151	2,650,619	321,311	639,091	4,636,634	408,632
1918	...	...	...	190,529	109,850	2,474,109	73,181	3,552	1,437,714	500,061
1919	...	...	...	337,043	63,938	2,689,540	396,514	331,022	125,416	538,022
1920	...	...	...	649,736	42,920	1,511,233	729,716	673,059	...	346,812
1921	...	...	...	503,215	36,931	524,442	165,908	264,342	...	419,329
1922	...	...	...	628,674	76,326	2,307,369	464,045	610,412	1,000	535,031
1923	...	...	...	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198

*Foreign Countries to which Cotton Grey Piece-Goods of Indian manufacture
have been exported from Bombay since 1917-18.*

From Government Returns.]

[Year ending 31st March.

To	In lakhs of yards (000's omitted).					
	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.
United Kingdom	...	...	...	03	01	03
Aden and Dependencies	141.88	114.02	106.28	126.14	32.28	22.90
Mesopotamia	...	...	...	...	16.92	57.06
Bahrain Islands	16.71	5.13	8.78	3.10	3.64	8.48
Ceylon	3.29	8.55	2.79	3.53	1.14	1.27
Straits Settlements including						
Labuan	24.65	15.21	13.55	9.86	1.30	4.49
Hongkong	...	21	19	60	...	...
Egypt	91.76	13.24	108.26	26.08	72	49
Natal	7.29	8.44	2.33	82	4.92	51
Zanzibar and Pemba	21.93	11.29	27.31	24.69	14.58	22.62
Kenya Colony (formerly known						
as East African Protectorate)...	45.89	35.48	78.14	66.71	41.42	43.15
Tanganyika Territory	...	...	...	...	19.85	23.42
Somali land Protectorate	1.25	...	05	...	...	0.19
Anglo-Egyptian Sudan	...	...	...	...	14.37	18.23
Mauritius and Dependencies ..	24.59	21.77	6.90	11.19	7.43	7.58
Seychelles	52	07	1.82	1.27	59	42
Australia	92	48	...	11	...	...
Other British Possessions	1.94	48	...	...	...	...
Turkey, European	...	...	3.90	68	...	...
Syria	...	...	...	...	1.64	...
Turkey, Asiatic, Levant and						
Black Sea	...	...	15	16	...	...
" " Red Sea	23.08	2.33	16.25	4.80	...	...
" " Persian Gulf... ..	81.05	105.31	172.63	61.42	...	...
Muscat Territory and Trucial						
Oman	9.33	10.96	8.67	5.45	8.17	4.94
Other Native States in Arabia...	5.49	1.94	3.36	2.82	2.43	2.73
Persia	147.16	64.75	54.24	26.92	13.84	26.39
Java	1.87	07	...	60	04	01
Siam	63.18	8.42	44.37	22.26	16.87	5.91
China exclusive of Hongkong						
and Macao	...	...	2.81	...	08	01
Japan	...	47	10	...	...	...
Portuguese East Africa	33.94	49.50	38.86	32.07	33.98	55.38
Madagascar	3.75	1.68	31	74	...	...
Re-union	...	2.29	91	29	...	...
German East Africa	1.85	6.00	12.13	28.41	...	†
Italian East Africa (Somaliland						
and Eritrea)	13.44	2.59	6.45	13.02	4.73	2.41
French Somaliland	7.49	21.76	4.56	...	...	...
Total Grey Piece-Goods ...	742.75	512.54	724.75	473.16	237.95	05.46
Value in Lakhs of Rupees ...	167.58	173.31	284.24	216.13	96.20	111.44

* Shown under Mesopotamia.

† Shown under Tanganyika Territory.

*Foreign Countries to which Indian Cotton Yarn have been
exported from Bombay since 1917-18.*

From Government Returns.]

Year ending 31st March.

To	In lakhs of lbs. (000's omitted).					
	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.
United Kingdom	6.32	5.05	6.55	6.47	.63	1.44
Malta and Gozo	...	.06	...	...	.08	.51
Cyprus	.04	.10	.36	2.90	2.82	2.76
Aden and Dependencies...	10.44	28.38	15.17	25.79	25.91	27.22
Bahrain Island	.93	1.15	1.76	3.01	1.69	2.63
Palestine	...	...	...	...	.08	.12
Mesopotamia	...	...	...	...	10.23	9.86
Ceylon	1.64	1.65	.78	1.82	1.88	.87
Straits Settlements including						
Labuan	34.38	20.44	36.80	32.84	25.53	16.02
Hongkong	41.71	319.46	558.94	330.61	434.95	331.47
Natal	...	...	...	...	.14	...
Tanganyika Territory	...	...	...	...	.02	.01
Anglo-Egyptian Sudan	...	...	...	...	.03	.02
Egypt	72.18	47.83	70.53	33.80	46.74	36.62
Zanzibar and Pemba	.23	.42	.39	.58	.40	.65
Somaliland Protectorate	.08	...	...	...	...	.03
Kenya Colony (formerly known as East African Protectorate).	.09	.17	.10	.17	.21	.19
New South Wales	.07	.09	...	.15	.02	...
Other British Possessions	.11	.02	.06	...	...	.01
Germany	...	...	.22	.25	...	.06
France	...	...	.12	...	.01	...
Belgium	...	...	...	...	...	.02
Italy	.03	...	...	...	...	.06
Greece	...	...	.99	.43	.74	.46
Tripoli	...	...	...	...	.66	...
Serbo-Croat Slovene State (Jugo- Slavia)	...	...	...	...	.20	.20
Syria	...	...	...	...	11.50	16.80
Smyrna	...	...	...	...	.37	.20
Turkey European	...	...	.38	1.29	...	...
Turkey, Asiatic, Levant and Black Sea	...	.57	26.51	10.79	...	...
" Red Sea	.08	.26	1.33	.33	...	...
" Persian Gulf	5.44	6.49	20.84	15.32	*	*
Muscat Territory and Trucial Oman	1.75	1.26	.92	1.82	2.07	1.56
Other Native States in Arabia...	2.63	1.63	.38	.53	1.29	.83
Persia	24.19	11.29	31.91	26.77	32.49	21.77
Java	5.01	6.14	2.36	8.08	1.69	.31
Siam	11.72	4.93	9.53	7.89	17.57	11.35
Philippine Islands and Guano...	.22	.30	.50	.26	.66	.15
China exclusive of Hongkong and Macao	554.59	164.95	567.63	215.84	160.88	22.13
Japan	.43	1.03	12.16	...	2.54	...
Portuguese East Africa	...	...	.01	...	.03	...
German East Africa	.04	.01	.02	.02	†	†
Italian East Africa (Somaliland and Eritrea)	.23	.95	.17	.79	.57	2.92
French Somaliland	.07	.53	.27	.28	...	...
Other Foreign Countries	.02	.08	...	.01	.66	.36
Total Yarns ...	1,174.37	626.52	1,367.69	779.08	783.66	559.92
Value in lakhs of Rupees ...	723.26	707.66	1,619.47	943.76	745.24	537.76

* Shown under Mesopotamia.

† Shown under Tanganyika Territory.

EXPORTS OF YARNS BY SEA AND RAIL.

Exports of Indian Manufactured Yarns by Sea and Rail from Bombay (Converted into Bales of 400 lbs. each) since 1896.

1st January to 31st December.	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.*	Total Exports by Sea and Rail.
1896	471,023	2,467	473,490	99,377	573,867	6,274	579,641
1897	361,221	645	361,866	91,095	452,961	5,822	458,783
1898	437,645	475	438,120	108,591	546,811	7,100	553,911
1899	579,619	250	579,869	94,029	673,898	4,408	678,306
1900	253,331	100	253,431	87,998	341,429	5,480	346,909
1901	536,195	.....	536,195	99,599	635,794	= 6,670	642,464
1902	555,487	.....	555,487	111,259	666,746	7,427	674,173
1903	604,044	.....	604,044	113,256	717,300	8,348	725,648
1904	460,316	3	460,319	113,981	573,700	9,789	583,489
1905	651,870	.....	651,870	91,603	743,473	8,099	751,572
1906	596,926	500	597,426	99,628	697,054	15,417	712,471
1907	412,127	200	412,327	190,387	602,714	19,213	621,932
1908	441,899		441,899	144,312	586,211	13,334	604,545

EXPORTS OF YARNS BY SEA AND RAIL.

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1909	510,746		510,746	120,406	631,152	19,302	650,454
1910	424,898		424,898	130,506	555,399	19,108	574,502
1911	275,087	.....	275,087	121,369	396,456	18,927	415,383
1912	433,939	.....	433,939	137,910	571,899	13,400	585,299
1913	405,359	.....	405,359	107,661	513,020	15,011	528,081
1914	324,586	.....	324,586	108,346	432,982	30,957	463,889
1915	358,777	.....	358,777	107,887	466,464	44,192	510,656
1916	303,692	.....	303,692	102,876	406,568	37,846	444,414
1917	286,365	107	286,472	81,446	367,918	48,202	416,121
1918	108,568	.....	108,568	80,429	188,997	87,115	276,112
1919	270,058	389	270,447	96,633	367,080	47,980	415,060
1920	175,688	.....	175,688	107,692	283,380	119,436	402,816
1921	152,911	10	152,921	157,854	310,775	153,575	464,350
1922	118,970	.....	118,970	143,837	262,807	167,543	430,350
1923	58,241	.....	58,241	150,901	209,142	166,491	375,633

* Compiled from Returns received from the Railway Companies.

SHIPPING—FOR

*Number and Tonnage of Vessels, distinguishing Sailing and Steam, which
Countries at Ports in British India*

EN

YEAR.	WITH CARGOES.						IN	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1913-1914 ...	707	59,280	2,461	6,725,603	3,168	6,784,883	393	32,420
1914-1915 ...	735	61,034	2,155	4,996,121	2,890	5,060,155	435	29,780
1915-1916 ...	841	76,169	2,018	4,276,172	2,859	4,352,341	502	39,515
1916-1917 ...	1,305	111,400	1,944	3,938,226	3,249	4,049,716	797	66,085
1917-1918 ...	1,440	131,528	1,905	3,278,911	3,345	3,410,439	1,334	116,262
1918-1919 ...	1,151	113,900	1,975	3,639,088	3,126	3,752,988	851	89,200
1919-1920 ..	1,050	106,104	2,085	5,060,216	3,135	5,166,320	431	48,365
1920-1921 ...	887	88,057	2,432	6,472,974	3,319	6,561,031	396	47,218
1921-1922 ...	853	83,901	2,522	3,577,448	3,375	6,966,949	247	34,553
* 1922-1923 ...	...	...	...	...	2,988	6,521,788	...	...

CLEAR

1913-1914 ...	1,033	88,211	2,979	8,163,976	4,012	8,252,187	74	5,650
1914-1915 ...	1,128	93,243	2,578	5,890,335	3,706	5,983,578	51	3,186
1915-1916 ...	1,493	133,039	2,776	5,689,745	4,269	5,822,834	51	3,737
1916-1917 ...	2,349	201,676	2,336	5,688,762	5,185	5,890,438	89	6,027
1917-1918 ...	3,085	272,743	2,774	5,224,783	5,859	5,497,481	62	3,791
1918-1919 ...	2,219	243,281	2,510	4,898,810	4,729	5,142,091	72	4,169
1919-1920 ..	1,447	160,891	2,491	6,002,962	3,938	6,163,853	105	9,411
1920-1921 ...	1,238	137,038	2,106	6,908,705	3,344	7,045,743	96	9,842
1921-1922 ...	1,072	118,979	2,457	6,483,979	3,529	6,552,958	83	7,945
* 1922-1923 ..	..	...	...	...	3,598	7,445,929	...	...

* Details not

EIGN TRADE.

Entered and Cleared with Cargoes and in Ballast, from and to Foreign in each Official Year from 1913-1914 to 1922-23.

TERED.

BALLAST.				TOTAL.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing & Steam Vessels.	Net Tons.
733	1,806,776	1,126	1,839,196	1,100	91,700	3,194	8,682,379	4,294	8,624,079
612	1,222,610	1,047	1,252,390	1,170	93,814	2,767	6,218,731	3,937	6,312,545
851	1,646,508	1,853	1,686,018	1,348	115,684	2,869	5,922,675	4,212	6,038,349
962	1,776,029	1,759	1,842,114	2,102	177,576	2,906	5,714,255	5,008	5,891,830
820	1,722,967	2,154	1,889,229	2,774	247,790	2,725	5,001,878	5,499	5,249,668
667	1,410,237	1,518	1,499,487	2,002	208,100	2,642	5,049,375	4,662	5,253,351
506	1,283,611	937	1,331,976	1,481	164,469	2,591	6,343,827	4,072	6,498,296
616	1,438,226	1,012	1,485,444	1,283	135,275	3,048	7,911,200	4,331	8,046,475
306	640,908	573	675,461	1,120	123,454	2,823	7,518,356	3,948	7,641,310
...	...	...	...	...	...	...	...	3,534	7,298,000

ED.

287	504,492	311	510,142	1,107	93,861	3,216	8,668,468	4,323	8,762,329
266	558,626	317	561,762	1,179	96,379	2,844	6,448,961	4,023	6,545,342
102	287,372	153	291,109	1,544	136,826	2,878	5,977,117	4,422	6,113,943
104	166,668	193	172,695	2,438	207,703	2,940	5,855,433	5,378	6,063,133
39	116,923	101	120,714	3,147	276,589	2,818	5,341,656	5,960	5,613,195
59	138,730	121	142,839	2,291	247,890	2,589	5,037,540	4,880	5,284,930
113	328,432	218	337,843	1,552	170,302	2,604	6,531,394	4,156	6,501,696
132	371,661	228	381,003	1,334	146,380	2,838	7,280,366	4,172	7,426,746
477	1,452,254	560	1,460,199	1,165	126,924	2,934	7,886,233	4,089	8,013,157
...	...	...	...	...	...	...	...	3,895	8,196,000

available.

SHIPPING—FOR

*Number and Tonnage of Vessels, distinguishing Sailing and Steam, which
Countries at the Chief Port of the Bombay Presidency*

EN

YEAR.	WITH CARGOES.						IN	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1913-1914 ...	142	14,882	662	1,992,169	804	2,007,051	...	.....
1914-1915 ...	159	15,723	567	1,656,794	716	1,672,517	...	.....
1915-1916 ...	223	20,307	453	1,362,636	676	1,382,943	...	.....
1916-1917 ...	281	26,382	437	1,299,299	718	1,325,681	...	.....
1917-1918 ...	331	39,183	374	1,051,127	705	1,090,310	14	1,719
1918-1919 ...	300	40,834	401	1,119,059	701	1,159,893	20	3,715
1919-1920 ...	268	34,096	619	1,934,787	882	1,968,882	1	441
1920-1921 ...	202	25,676	634	2,035,763	836	2,061,439	1	125
1921-1922 ...	197	25,854	745	2,404,470	942	2,430,324	3	649
1922-1923 ...	140	18,640	593	2,143,809	733	2,162,458	1	217

CLEAR

1913-1914 ...	113	12,055	619	1,818,005	732	1,830,060	...	.....
1914-1915 ...	117	12,503	463	1,359,300	580	1,371,803	..	.....
1915-1916 ...	211	21,466	459	1,297,026	670	1,318,492	2	262
1916-1917 ...	252	24,999	493	1,280,485	745	1,405,484	1	615
1917-1918 ...	466	54,362	430	1,203,348	896	1,257,710	1	26
1918-1919 ...	364	51,620	358	963,374	722	1,014,934	3	490
1919-1920 ...	233	31,061	638	1,937,833	871	1,968,894	7	838
1920-1921 ...	181	21,623	575	1,331,245	756	1,352,868	10	1,096
1921-1922 ...	137	17,550	479	1,571,560	616	1,589,110	5	663
1922-1923 ...	143	17,080	485	1,746,456	628	1,763,536	...	...

EIGN TRADE.

Entered and Cleared with Cargoes and in Ballast, from and to Foreign in each Official Year from 1913-1914 to 1922-1923.

TERED.

BALLAST.				TOTAL.				Grand Total.	
Steam.		Total. •		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing & Steam Vessels.	Net Tons.
101	271,281	101	271,281	142	14,882	768	2,268,450	905	2,278,332
56	145,705	56	145,705	159	15,728	618	1,802,499	772	1,818,222
158	889,689	158	889,689	223	20,807	611	1,752,325	884	1,772,632
200	872,751	200	872,751	251	26,882	687	1,672,050	918	1,698,432
60	141,810	74	148,529	845	40,902	484	1,192,937	779	1,233,839
33	85,888	53	89,103	320	44,549	434	1,204,447	754	1,243,996
118	271,652	114	272,093	264	34,536	732	2,206,439	996	2,240,975
93	198,949	94	199,074	203	25,801	727	2,234,712	930	2,260,513
39	88,046	42	88,695	200	26,508	784	2,492,516	984	2,519,019
45	135,260	46	135,477	141	18,866	643	2,284,069	784	2,302,935

ED.

38	121,231	38	121,231	118	12,055	657	1,939,236	770	1,951,297
67	188,055	67	188,055	117	12,503	630	1,547,355	647	1,559,858
27	71,633	29	71,915	213	21,748	486	1,368,659	699	1,390,407
63	44,422	64	45,037	293	25,614	556	1,424,907	809	1,450,521
12	28,872	13	28,898	467	54,388	442	1,232,220	909	1,286,608
31	66,351	34	66,841	357	52,110	389	1,029,725	756	1,081,835
61	177,780	68	178,618	240	31,899	699	2,115,613	939	2,147,512
51	135,636	61	136,732	191	22,719	626	1,966,881	817	1,989,600
246	732,015	251	732,678	142	18,213	725	2,303,575	867	2,321,788
111	355,716	111	355,710	143	17,030	596	2,102,172	739	2,119,252



00133595

24 12 0	25 2 0	25 6 0	25 3 0	25 3 0	25 3 0
15 9 0	15 10 0	15 14 0	15 10 6	15 10 6	15 10 6
80 2 0	80 12 0	82 6 0	82 5 0	83 3 0	82 5 0
80 9 0	81 2 0	82 6 0	82 5 0	83 3 0	81 2 0
9½ per cent.	9 per cent.	9 per cent.	3 per cent.	8½ per cent.	8½ per cent.
8 "	8 "	8 "	8 "	8 "	8 "
7 Steady.	6 " Shade easier.	5 1/2 " Steady.	5 1/2 " Steady.	6 " Steady.	6 "
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
59 0 0	59 0 0	59 12 0	61 8 0	61 8 0	61 8 0
50 8 0 Nom.	50 0 0 Nom.	51 0 0 Nom.	52 0 0 Nom.	52 0 0 Nom.	52 0 0 Nom.
Rs. 45,000	Rs. 20,000	Nil.	Nil.	Nil.	Nil.
" 28,500	Nil.	Rs. 1,82,000	Nil.	Nil.	Nil.
Quieter.	Quieter.	Quiet.	Quiet.	Quiet with tendency for weakness in prices.	Quiet with tendency for weakness in prices.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
12 8 0	10 8 0	10 8 0	10 8 0	10 8 0	10 8 0
14 0 0	12 6 0	12 6 0	12 6 0	12 6 0	12 6 0
1 8 6	1 8 6	1 8 6	1 9 0	1 10 0	1 10 0
1 6 6	1 6 6	1 7 0	1 7 6	1 7 0	1 7 0
81 6 0	83 0 0	82 0 0	82 8 0	82 0 0	82 0 0
58 8 0	68 0 0	68 0 0	69 2 0	68 0 0	68 0 0
52 0 0	50 0 0	50 0 0	50 0 0	50 0 0	50 0 0
52 0 0	50 0 0	50 0 0	50 0 0	50 0 0	50 0 0
.....					
24 4 0 Nom.	24 10 0 Nom.	29 0 0 Nom.	29 4 0 Nom.	28 0 0 Nom.	28 0 0 Nom.
24 1 0 "	24 8 0	29 0 0	29 6 0 to 29 8 0 "	28 4 0	28 4 0
26 0 0	26 0 0	31 0 0 Nom.	32 0 0	31 0 0	31 0 0
24 4 0	24 10 0	23 12 0	29 4 0	28 0 0	28 0 0
24 0 0 Nom.	24 8 0 Nom.	28 12 0 Nom.	29 4 0	28 0 0 Nom.	28 0 0 Nom.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
9 0 0 to 10 0 0	9 0 0 to 10 0 0	10 0 0 to 11 0 0	9 0 0 to 10 0 0	9 0 0 to 10 0 0	9 0 0 to 10 0 0
Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth
9 0 0 to 10 0 0	9 0 0 to 10 0 0	10 0 0 to 11 0 0	9 0 0 to 10 0 0	9 0 0 to 10 0 0	9 0 0 to 10 0 0
Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth
.....					
.....					
28 0 0 to 29 0 0	27 0 0 to 28 0 0	28 0 0 to 29 0 0	28 0 0 to 29 0 0	28 8 0 to 29 0 0	28 0 0 to 29 0 0
Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.
28 0 0 to 29 0 0	27 0 0 to 28 0 0	28 0 0 to 29 0 0	28 0 0 to 29 0 0	28 8 0 to 29 0 0	28 0 0 to 29 0 0
Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.
38 0 0 to 40 0 0	39 0 0 to 40 0 0	38 0 0 to 39 0 0	38 0 0 to 39 0 0	37 0 0 to 38 0 0	38 0 0 to 39 0 0
Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.
38 0 0 to 40 0 0	39 0 0 to 40 0 0	38 0 0 to 39 0 0	38 0 0 to 39 0 0	37 0 0 to 38 0 0	38 0 0 to 39 0 0
Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.	Rdy. ex. Bunder.
12 0 0 to 13 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0
Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth
.....					
.....					
13 0 0	.....	12 0 0 to 13 0 0	12 0 0 to 13 0 0	13 0 0	13 0 0
Rdy. ex. Pitsmouth	.....	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth
.....					
10 0 0 to 11 0 0	10 0 0	9 0 0 to 10 0 0	10 0 0	10 0 0 to 11 0 0	10 0 0 to 11 0 0
Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth
10 0 0 to 11 0 0	8 0 0 to 10 0 0	10 0 0	10 0 0	10 0 0	10 0 0
Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth
7 0 0 to 8 0 0	8 0 0	7 0 0 to 8 0 0	7 0 0 to 8 0 0	7 0 0 to 8 0 0	7 0 0 to 8 0 0
Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth	Rdy. ex. Pitsmouth

Forty Current Operations as Estimated by the Committee of the Board, Chapter of Quarters during the year 1912

1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583	582	581	580	579	578	577	576	575	574	573	572	571	570	569	568	567	566	565	564	563	562	561	560	559	558	557	556	555	554	553	552	551	550	549	548	547	546	545	544	543	542	541	540	539	538	537	536	535	534	533	532	531	530	529	528	527	526	525	524	523	522	521	520	519	518	517	516	515	514	513	512	511	510	509	508	507	506	505	504	503	502	501	500	499	498	497	496	495	494	493	492	491	490
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Year	Month	Day	Time	Place	Event	Remarks
1880	Jan	1	10:00	St. Paul	Arrived	From New York
1880	Jan	2	10:00	St. Paul	Departed	For New York
1880	Jan	3	10:00	St. Paul	Arrived	From New York
1880	Jan	4	10:00	St. Paul	Departed	For New York
1880	Jan	5	10:00	St. Paul	Arrived	From New York
1880	Jan	6	10:00	St. Paul	Departed	For New York
1880	Jan	7	10:00	St. Paul	Arrived	From New York
1880	Jan	8	10:00	St. Paul	Departed	For New York
1880	Jan	9	10:00	St. Paul	Arrived	From New York
1880	Jan	10	10:00	St. Paul	Departed	For New York
1880	Jan	11	10:00	St. Paul	Arrived	From New York
1880	Jan	12	10:00	St. Paul	Departed	For New York
1880	Jan	13	10:00	St. Paul	Arrived	From New York
1880	Jan	14	10:00	St. Paul	Departed	For New York
1880	Jan	15	10:00	St. Paul	Arrived	From New York
1880	Jan	16	10:00	St. Paul	Departed	For New York
1880	Jan	17	10:00	St. Paul	Arrived	From New York
1880	Jan	18	10:00	St. Paul	Departed	For New York
1880	Jan	19	10:00	St. Paul	Arrived	From New York
1880	Jan	20	10:00	St. Paul	Departed	For New York
1880	Jan	21	10:00	St. Paul	Arrived	From New York
1880	Jan	22	10:00	St. Paul	Departed	For New York
1880	Jan	23	10:00	St. Paul	Arrived	From New York
1880	Jan	24	10:00	St. Paul	Departed	For New York
1880	Jan	25	10:00	St. Paul	Arrived	From New York
1880	Jan	26	10:00	St. Paul	Departed	For New York
1880	Jan	27	10:00	St. Paul	Arrived	From New York
1880	Jan	28	10:00	St. Paul	Departed	For New York
1880	Jan	29	10:00	St. Paul	Arrived	From New York
1880	Jan	30	10:00	St. Paul	Departed	For New York
1880	Jan	31	10:00	St. Paul	Arrived	From New York
1880	Feb	1	10:00	St. Paul	Departed	For New York
1880	Feb	2	10:00	St. Paul	Arrived	From New York
1880	Feb	3	10:00	St. Paul	Departed	For New York
1880	Feb	4	10:00	St. Paul	Arrived	From New York
1880	Feb	5	10:00	St. Paul	Departed	For New York
1880	Feb	6	10:00	St. Paul	Arrived	From New York
1880	Feb	7	10:00	St. Paul	Departed	For New York
1880	Feb	8	10:00	St. Paul	Arrived	From New York
1880	Feb	9	10:00	St. Paul	Departed	For New York
1880	Feb	10	10:00	St. Paul	Arrived	From New York
1880	Feb	11	10:00	St. Paul	Departed	For New York
1880	Feb	12	10:00	St. Paul	Arrived	From New York
1880	Feb	13	10:00	St. Paul	Departed	For New York
1880	Feb	14	10:00	St. Paul	Arrived	From New York
1880	Feb	15	10:00	St. Paul	Departed	For New York
1880	Feb	16	10:00	St. Paul	Arrived	From New York
1880	Feb	17	10:00	St. Paul	Departed	For New York
1880	Feb	18	10:00	St. Paul	Arrived	From New York
1880	Feb	19	10:00	St. Paul	Departed	For New York
1880	Feb	20	10:00	St. Paul	Arrived	From New York
1880	Feb	21	10:00	St. Paul	Departed	For New York
1880	Feb	22	10:00	St. Paul	Arrived	From New York
1880	Feb	23	10:00	St. Paul	Departed	For New York
1880	Feb	24	10:00	St. Paul	Arrived	From New York
1880	Feb	25	10:00	St. Paul	Departed	For New York
1880	Feb	26	10:00	St. Paul	Arrived	From New York
1880	Feb	27	10:00	St. Paul	Departed	For New York
1880	Feb	28	10:00	St. Paul	Arrived	From New York

Weekly "Oxford" Quotations as Reported by the Executive of the Banking Chapter of Unions during the year 1921—continued

Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
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Weekly Current Statistics as Estimated by the Committee of the Trading Chamber of Commerce During the year 1947—continued

Year	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342
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